



**22nd  
ANNUAL REPORT  
2019-20**

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### GREEN INITIATIVES

As a responsible corporate citizen, the Company welcomes and supports the "Green Initiative" undertaken by the Ministry of Corporate Affairs, Government of India and urges you to extend your support to the same by registering your email address with the Company's Registrar and Transfer Agent or your Depository Participant to receive communication, including the Annual Report amongst others from the Company in electronic mode.

**CORPORATE INFORMATION****22nd Annual Report 2019-20****BOARD OF DIRECTORS**

<b>BOARD OF DIRECTORS'</b>	<b>DESIGNATION</b>
Mr. Amrut S. Gada	Erstwhile Chairman and Managing Director
Mr. Mitesh K. Gada	Erstwhile Executive Director
Mr. Praful B. Nisar	Erstwhile Independent Director

**V. P. OPERATIONS & COMPANY SECRETARY- COMPLIANCE OFFICER**

Mr. Ashwin S. Shetty

<b>STATUTORY AUDITORS</b>  M/s. KSPM & Associates 108, 1st Floor, Sujata Niketan, Rani Sati Road, Next to Railway Station, Malad (East), Mumbai – 400097. Tel: +91-22-28814240 Email id: <a href="mailto:sanjay@kspmindai.com">sanjay@kspmindai.com</a>	<b>BANKERS / FINANCIAL INSTITUTION</b>  Punjab National Bank Bank Of Maharashtra ICICI Bank Limited SICOM Investments and Finance Limited Edelweiss Asset Reconstruction Company Limited (EARCL) Bank of Baroda HDFC Bank Ltd.
<b>REGISTRAR AND TRANSFER AGENTS</b>  LINK INTIME INDIA PRIVATE LIMITED C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083, Tel: 22- 49186000, Fax: +91- 22- 49186060, Website: <a href="http://www.linkintime.co.in">www.linkintime.co.in</a> , E-mail: <a href="mailto:nayna.walke@linkintime.co.in">nayna.walke@linkintime.co.in</a>	<b>REGISTERED OFFICE</b> 173/174, 3rd Floor, Sejal Encasa, S.V. Road, Kandivali (West), Mumbai 400 067 Tel: 28665100, Fax: 28665102 Website: <a href="http://www.sejalglass.co.in">www.sejalglass.co.in</a>  <b>FACTORY ADDRESS</b>  Plot No 259/10/1, Village Dadra Union Territory of Dadra Nagar Haveli, Dist. Silvassa.

**Note:**

The Hon'ble National Company Law Board ("NCLT"), Mumbai Bench, vide order dated February 13, 2019 has admitted the reference for initiation of Corporate Insolvency Resolution Process ("CIRP") under Insolvency and Bankruptcy Code 2016 ("IBC"). The Powers of the Board of Directors stands suspended since then. Further the Hon'ble NCLT, Mumbai Bench, vide order dated April 23, 2019 has appointed Mr. Prashant Jain as the Resolution Professional ("RP") to carry the day to day operations of the Company.

**KEY HIGHLIGHTS OF 2019-20**  
**Five Year Financial Performance Table**

(Rs. in Millions)

<b>Financial Performance</b>	<b>2019-20</b>	<b>2018-19</b>	<b>2017-18</b>	<b>2016-17</b>	<b>2015-16</b>
<b>Profit &amp; Loss Account</b>					
Gross Sales	37.16	85.39	98.55	53.02	141.58
Total Income	39.17	90.65	126.49	67.98	172.37
Depreciation	24.92	25.98	27.31	34.09	37.00
Finance Cost	22.41	21.94	21.23	44.96	56.61
Profit/(Loss) Before Taxation	(215.03)	(146.59)	(74.75)	(466.86)	(1211.37)
Profit/(Loss) After Taxation	(215.03)	(146.59)	(74.75)	(466.86)	(1211.37)
Earnings Per Share	-	-	-	-	-
<b>Balance Sheet</b>					
Fixed Assets (Net)	349.86	374.80	443.50	470.33	530.38
Investments and Non - Current Assets	35.37	35.25	37.99	1929.30	226.76
Net Current Assets	(1708.33)	(1,518.00)	(1434.15)	(1537.35)	(831.92)
Net Deferred Tax Asset	0.00	0.00	0.00	0.00	-
Loan Funds	236.56	236.56	269.26	291.27	330.00
Provisions	2.30	2.30	2.30	6.12	6.95
Profit & Loss A/c					
<b>Net Worth</b>	<b>(1323.79)</b>	<b>(1108.76)</b>	<b>(953.45)</b>	<b>(878.71)</b>	<b>(411.74)</b>
Share Capital	335.50	335.50	335.50	335.50	335.50
Share Warrant / Share	-	-	-	-	-
Application Money	-	-	-	-	-
Reserve and Surplus	(1659.28)	(1444.26)	(1288.95)	(1214.21)	(747.24)
<b>Net Worth</b>	<b>(1323.79)</b>	<b>(1108.76)</b>	<b>(953.45)</b>	<b>(878.71)</b>	<b>(411.74)</b>

## NOTICE

**NOTICE** is hereby given that the 22<sup>nd</sup> Annual General Meeting of the Company (a Company undergoing Corporate Insolvency Resolution Process (“CIRP”)) will be held on Wednesday, December 30, 2020, at 11.00 A.M., at 173/174, Sejal Encasa, S. V. Road, Kandivali (West), Mumbai – 400 067 to transact the following business:

**Note:**

The members are hereby informed that Corporate Insolvency Resolution Process (“CIRP”) of Sejal Glass Limited (“the Company”) as per the provisions of the Insolvency and Bankruptcy Code 2016 (“IBC/CODE”) was initiated by Edelweiss Asset Reconstruction Limited (EARCL) a Financial Creditor of the Company. The Financial Creditor’s petition to initiate the CIRP was admitted by the Hon’ble National Company Law Tribunal (“NCLT”), Mumbai bench by vide Order dated February 13, 2019. Further, vide the aforesaid NCLT order and pursuant to Section 17 of the IBC, the powers of the Board of Directors of the Company stood suspended, and such powers were vested with the Interim Resolution Professional (“IRP”), Mr. Rajendra Kumar Girdhar (IP Registration no. IBBI/IPA-003/IP-N00048/2017-18/10396) to manage affairs of the company. Subsequently, the committee of creditors (“CoC”) appointed Mr. Prashant Jain (Registration no. IBBI/IPA-001/IP-P01368/2018-19/12131) as the Resolution Professional (“RP”) and Mr. Prashant Jain, has been appointed as RP by the Hon’ ble NCLT, Mumbai Bench, vide order dated April, 23, 2019 to manage the day to day affairs of the Company. The RP invited Expressions of Interest (“EOI”) dated September 16, 2019 in response to which two resolution plans were received. On November 6, 2020, in accordance with Section 30(6) of the IBC, a resolution plan submitted by Dilesh RoadLines Private Limited (“DRPL”) as approved by the COC with the requisite majority as per Section 30(4) of the IBC, was filed with Hon’ble NCLT, Mumbai Bench for its approval on November 10, 2019. The Hon’ble NCLT has in its hearing held on July 02, 2020 after hearing the parties concerned have now kept the matter for Pronouncement of order.

The appointment/re-appointments of the Directors are recommended only for the sole purpose of complying with the applicable provision(s) of the Companies Act, 2013 (as amended) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, pursuant to Section 17 of the IBC, the powers the Board of Directors shall stand suspended during the continuance of the CIRP.

#### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Financial Statement of the Company for the financial year ended 31<sup>st</sup> March, 2020, the Board's Report to the Shareholders under section 134 of the Companies Act, 2013 and the Auditors' Report thereon and the audited consolidated financial statement of the Company for the Financial Year ended 31<sup>st</sup> March, 2020, subject to such consequential modification and amendments, if any, as the Hon'ble NCLT, Mumbai bench direct, pursuant to an application made by the company.
2. To appoint a director in place of Mr. Amrut S. Gada (DIN: 00163290) who has consented to retire by rotation for compliance with the requirements of Section 152(6) of the Companies Act, 2013, offers himself for re-appointment.

**By order of the Board  
For Sejal Glass Limited  
(Company under Corporate Insolvency Resolution Process ("CIRP"))**

**Sd/-**

**Ashwin S. Shetty  
V. P. Operations & Company Secretary- Compliance Officer**

**Place :Mumbai**

**Date : November 13, 2020**

**NOTES:**

**1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE “MEETING”) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND, VOTE ON A POLL, INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING PROXIES IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. The business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. However, the facility for voting through Ballot Paper will also be made available at the AGM and the members attending the AGM who have not already cast their votes by remote e-Voting shall be able to exercise their right at the AGM through Ballot Paper. Instructions and other information relating to remote e-Voting are given in this Notice separately. The Company will also send communication relating to e-Voting which inter alia would contain details about User ID and password along with a copy of this Notice to the members, separately.

3 Corporate Members intending to send their authorized representative to attend the Meeting are required to send a duly certified copy of the Board Resolution, authorizing their representative to attend and vote at the Meeting, as required under Section 113 of the Companies Act, 2013.

4. Members/ proxies are requested to bring their copies of Annual Report along with the duly-filled Attendance Slips sent herewith to attend the meeting. Members may refer to proxy related provision given in Para 6 of the SS-2 Secretarial Standard on General Meeting issued by ICSI and approved by Central Government.
5. Members who hold shares in dematerialized form are requested to write their DP ID and Client ID number(s) and those who hold share(s) in physical form are requested to write their Folio Number(s) in the attendance slip for attending the Meeting to facilitate identification of membership at the Meeting.
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. All documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection by the members at the Registered Office of the Company during the Business hours on all working days, except Saturdays, during business hours up to the date of the Annual General Meeting.
8. The Share Transfer Books and Register of members of the Company will remain closed from Saturday, December 26, 2020 to Tuesday, December 29, 2020, (both days inclusive) for the purpose of ensuing Annual General Meeting.
9. Electronic Copy of the Annual Report for the year 2019-20 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purpose unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2019-20 is being sent in the permitted mode.

10. Members are advised to avail of nomination facility in respect of shares held by them. Nomination forms can be obtained from the Investors Services Department of the Company.

11. Members are requested to:-

- a. Intimate the Company, changes if any in their registered addresses at an early date for shares held in physical form. For shares held in electronic form, changes, if any may be please communicated to the respective DPs.
- b. Quote ledger folio numbers/DP ID and Client ID numbers in all their correspondence.
- c. Approach the Company for consolidation of various ledger folios into one.
- d. To avoid inconvenience, get the share transferred in joint names, if they are held in single name and/or appoint nominee.

12. Members desirous of obtaining any information concerning the accounts and operation of the Company are requested to address their communication to the Registered Office of the Company, so as to reach at least 10 days before the meeting, so that the information can be made available at the meeting, to the extent possible.

13. The Register of contracts or arrangements maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the AGM.

14. The Annual Report 2019-20 of the Company circulated to the members of the Company will be made available on the Company's website at [www.sejalglass.co.in](http://www.sejalglass.co.in) and also on the website of the respective stock exchanges at

www.bseindia.com and www.nseindia.com. As per the Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards-2 issued by Institute of Company Secretaries of India and notified by Central Government, particulars of Directors to be appointed / re-appointed at the 22<sup>nd</sup> Annual General Meeting are given separately in the notice.

15. To support the “Green Initiative”, Members who have not registered their email addresses are requested to register the same with the Company's Share Registrars and Transfer Agents/their Depository Participants, in respect of shares held in physical/electronic mode respectively.

16. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.

17. Voting Through electronic means:

Pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules 2014, as amended from time to time, the Company is pleased to provide its members the facility of “remote e-voting” (e-voting from place other than venue of the AGM) to exercise their right to vote at the 22<sup>nd</sup> Annual General Meeting (AGM). The business may be transacted through e-voting services rendered by Central Depository (India) Limited (CDSL).

The facility for voting through poll paper shall also be made available at the venue of the 22<sup>nd</sup> AGM. The members attending the meeting, who have not already cast their vote through remote e-voting shall be able to exercise their voting rights at the meeting. The members who have already cast their vote

through remote e-voting may attend the meeting but shall not be entitled to cast their vote again at the AGM.

The Company has appointed of M/s. Tariq Budgujar & Co., Practicing Company Secretaries (CP No. 17462) as the Scrutinizer for conducting the remote e-voting and the voting process at the AGM.

18. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date i.e. 23, December, 2020 (Wednesday).

19. A person, whose name is recorded in the register of Members or in the register of beneficial owners maintained by the depositories as on the cut-off date i.e. December 23, 2020 only shall be entitled to avail the facility of remote e-voting as well as voting at the Meeting through ballot paper.

20. The Chairman shall, at the Meeting, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of Scrutinizer, by use of "Ballot Paper" for all those Members who are present at the Meeting but have not cast their votes by availing the remote e-voting facility.

21. The Scrutinizer will after the conclusion of voting at the Meeting, will first count the votes cast at the Meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and will make, not later than two days of the conclusion of the Meeting, a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who will countersign the same and declare the result of the voting forthwith.

22. The results declared along with the report of the Scrutinizer will be placed on the website of the Company and on the website of CDSL (or NSDL)

immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results will also be immediately forwarded to the Bombay Stock Exchange Limited and National Stock Exchange Limited Mumbai.

23. Mr. Ashwin S. Shetty. V. P. Operations & Company Secretary-Compliance Officer of the Company shall be responsible for addressing all the grievances in relation to this Annual General Meeting including e-voting. His Contact details are e-mail : [ashwin@sejalglass.co.in](mailto:ashwin@sejalglass.co.in)

**By order of the Board  
For Sejal Glass Limited  
(Company under Corporate Insolvency Resolution Process ("CIRP"))**

**Sd/-**

**Ashwin S. Shetty  
V. P. Operations & Company Secretary- Compliance Officer**

**Registered Office:**

**173/174, 3rd Floor,  
Sejal Encasa, S. V. Road,  
Kandivali (West), Mumbai- 400067**

**Place :Mumbai**

**Date : November 13, 20**

**Profile of Director being re-appointed/appointed as required under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

<b>Name of Director</b>	<b>Mr. Amrut S. Gada</b>
Date of Birth	03/05/1970
Qualification/Profession	Intermediate
Expertise in Specific Functional Areas	Business Management
Other Directorship in Companies	8
Membership of Committee of the company	Nil
No. of shares held in the company	1450750

**THIS COMMUNICATION FORMS INTEGRAL PART OF THE NOTICE OF 22<sup>nd</sup> ANNUAL GENERAL MEETING OF SEJAL GLASS LIMITED**

**The instructions for members for voting electronically are as under:-**

- (I) The voting period begins on Saturday, December 26, 2020 at 10.00 a.m. and ends on Tuesday, December 29, 2020 at 05.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date December 23, 2020 may cast their vote electronically. The remote e-voting module shall be disabled by NSDL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

**(iii) The Instructions For Remote E-Voting Before/During the AGM**

**The way to vote electronically on NSDL e-Voting system consists of 'Two Steps' which are mentioned below:**

**Step 1: Log-in to NSDL e-Voting system at [www.evoting.nsdl.com](https://www.evoting.nsdl.com)**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*

4. Your User ID details are given below :

<b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is:</b>
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID  For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID  For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company  For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
  - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form.

- The .pdf file contains your 'User ID' and your 'initial password'.
- (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
- Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - Physical User Reset Password?**" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
  - Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

## **Step 2: Cast your vote electronically on NSDL e-voting system**

### **How to cast your vote electronically on NSDL e-voting system?**

- After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
- After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
- Select "EVEN" of company for which you wish to cast your vote.
- Now you are ready for e-Voting as the Voting page opens.

5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders:**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail [cstariqbudgujar@gmail.com](mailto:cstariqbudgujar@gmail.com) to with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "[Forgot User Details/Password?](#)" or "[Physical User Reset Password?](#)" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.

**(iv) Other information:**

- Your login id and password can be used by you exclusively for e-voting on the resolutions placed by the companies in which you are the shareholder.
- The RP has appointed Ms. Tariq Badgujar & Co, Practising Company Secretaries, as the Scrutinizer to scrutinize the remote e-voting process before and during the AGM in a fair and transparent manner.
- The Scrutinizer shall, immediately after the conclusion of voting at the AGM, unblock and count the votes cast during the AGM, and votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a

consolidated Scrutinizer's report of the total votes cast in favor or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same.

- The results declared along with Scrutinizer's Report, will be placed on the website of the Company [www.sejalglass.co.in](http://www.sejalglass.co.in) and on the website of NSDL [www.evoting.nsdl.com](http://www.evoting.nsdl.com) immediately after the result is declared by Chairman or any other person authorized by the Chairman and the same shall be communicated to BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.

- (v) In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for members and e-voting user manual for members available at the Downloads sections of <https://www.evoting.nsdl.com> or contact NSDL at the following toll free no.: 1800-222-990.

**By order of the Board  
For Sejal Glass Limited  
(Company under Corporate Insolvency Resolution Process ("CIRP"))**

Sd/-

**Ashwin S. Shetty  
V. P. Operations & Company Secretary- Compliance Officer**

**Registered Office:**

**173/174, 3rd Floor,  
Sejal Encasa, S. V. Road,  
Kandivali (West), Mumbai- 400067**

**Place :Mumbai**

**Date : November 13, 2020**

## Board's Report

Dear Shareholders,

Your Directors have pleasure in presenting you the Twenty Second Annual Report on the business operations of the Company together with the Audited Financial Statements of Accounts for the Financial Year ended 31<sup>st</sup> March, 2020.

In accordance with the applicable provisions of the Insolvency and Bankruptcy Code 2016 ("IBC/Code"), the Corporate Insolvency Resolution Process ("CIRP PROCESS") of Sejal Glass Limited ("Company") was initiated by Edelweiss Asset Reconstruction Limited (EARCL) a Financial Creditor of the Company. The Financial Creditor's petition to initiate the CIRP Process was admitted by the National Company Law Tribunal ("NCLT"), Mumbai bench, on February 13, 2019 ("Insolvency Commencement Date"). Mr. Rajendra Kumar Girdhar was appointed as the Interim Resolution Professional ("IRP") to manage the affairs of the Company. Subsequently, the Committee of Creditors ("CoC") appointed Mr. Prashant Jain as the Resolution Professional ("RP") to manage the day to day affairs of the Company. On appointment of the IRP/RP, the powers of the Board of Directors of the Company were suspended. The RP invited expressions of interest and submission of a resolution plan in accordance with the provisions of the Code. Of the resolution plans submitted, the CoC on November 06, 2019 approved the resolution plan submitted by Dilesh RoadLines Private Limited ("DRPL"). The RP submitted the CoC approved Resolution plan to the NCLT on November 10, 2019 for its approval. The Hon'ble NCLT, Mumbai Bench after hearing the parties concerned on July 02, 2020 have now kept the matter "Reserved for Orders".

## 1. Financial Results:

The Financial Performance of your company for the year ended March 31, 2020 is summarized below:-

(Rs. in Lakhs)

Particulars	Standalone		Consolidated	
	FY 2019-20	FY 2018-19	FY 2019-20	FY 2018-19
Revenue from Operations	371.58	854.00	371.58	854.00
Other Income	20.16	53.00	20.16	53.00
<b>Total Revenue</b>	<b>391.74</b>	<b>907.00</b>	<b>391.74</b>	<b>907.00</b>
Expenses before <b>Finance cost and Depreciation/Amortizations</b>	799.05	1523.00	799.05	1523.00
<b>Profit/ (Loss) before Finance cost and Depreciation/Amortizations</b>	<b>(407.31)</b>	<b>(616)</b>	<b>(407.31)</b>	<b>(616)</b>
Less : Finance Cost	224.13	219.41	224.13	219.41
Less: Depreciation / Amortization	249.29	259.82	249.29	259.82
Net profit/(Loss) before Exceptional items and Tax	(880.74)	(1095.00)	(880.74)	(1095.00)
Provision for Contingency, Doubtful Receivables, Loans and advances and other current & non-current assets and other liabilities	(1269.54)	(371.00)	(1269.54)	(371.00)
<b>Net profit/(Loss) before tax</b>	<b>(2150.29)</b>	<b>(1466.00)</b>	<b>(2150.29)</b>	<b>(1466.00)</b>
<b>Profit/(Loss) for the year</b>	<b>(2150.29)</b>	<b>(1466.00)</b>	<b>(2150.29)</b>	<b>(1466.00)</b>

## 2. Operational Review:

### Consolidated Results

The Consolidated income was Rs. 391.734 Lakhs as against the previous year's figure of Rs. 907.00 lacs. The Net Loss for the year under review is Rs. 2150.29 Lakhs compared to the previous year's figure of Rs. 1466.00 Lakhs.

### **Standalone Results**

The sales and operating income was Rs. 391.734 Lakhs as against the previous year's figure of Rs. 907.00 lacs. The operating Loss for the year under review is Rs. 880.74 Lakhs in comparison to Rs. 1095.00 Lakhs in the previous year. The Net Loss for the year under review was 2150.29 lakhs as compared to the net loss figure of Rs. 1466.00 lakhs in the previous year. The Company continued to be under the Corporate Insolvency Resolution Process during the year under review. Lower Capacity utilization of the plant owing to the shortage of Working Capital funds continued to be the main reason for the drop in sales volume.

### **3. Dividend:**

In view of the net loss incurred by the Company for the year and the accumulated losses of the previous year, the board does not recommend any dividend to the share holders of the Company for the year ended March 31, 2020.

### **4. Transfer to reserves:**

In view of the losses incurred by the Company, no amount has been transferred to reserves.

### **5. Material changes post closure of financial year:**

The Hon'ble NCLT, Mumbai Bench after hearing the parties concerned on July 02, 2020 have now kept the matter "pronouncement for Orders".

### **6. Extract of Annual Return**

Pursuant to Section 134(3)(a) and Section 92(3) of the Act, read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, the extracts of the Annual Return in Form MGT-9 as at 31<sup>st</sup> March 2020 forms part of this report as "**Annexure A**".

### **7. Significant and Material Orders passed by the Regulators or Courts:**

To the best of our knowledge, there seems to have been no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations.

**8. Change in the nature of business:**

There has been no change in the nature of business during the year compared to previous year.

**9. Management Discussion & Analysis****Industry structure and developments:**

The Company is principally engaged in the business of manufacturing and Processing of Architectural Glass and Glass related products. The factory operations in the year under review had been severely impacted due to the initiation of Corporate Insolvency Resolution Process (CIRP) against the Company. The revenue's was negligible, since the Company faced severe financial constraints in terms of inadequate Working Capital required to operate the plant at an optimum level. The plant was functioning at a bare minimum level for nearly the whole year and hence due to underutilization of the plant efficiency there was a substantial dip in the revenue.

**Opportunities and threats:**

Indian Glass Processing industry has been growing in along with the strength and importance, as a part of India's burgeoning role in the global economy. In view of the ongoing Corporate Insolvency Resolution Process the Company has not been able to encash many opportunities during the period under review. The Company is hopeful to perform better in the next year.

**Segment wise performance:**

Since, the company operates its business under one segment only the report on segment wise performance is not furnished.

**Outlook:**

The Company hopes to turn around its performance once the new Resolution Applicant is on board the Company and the adequate funding to run the plant is introduced.

**10. Risk and concerns:**

The Company has in place a Risk Management framework to identify measure and mitigate business risks and threats. This framework seeks to create transparency, minimize adverse impact on the business objective and enhance the Company's competitive advantage. This

risk framework thus helps in managing market, credit and operations risks and quantifies exposure and potential impact at a Company level.

**11. Internal control systems and their adequacy:**

The Company has, in all material respects, an adequate framework for internal financial controls commensurate with the size, scale and complexity of the Company's operations.

**12. Share Capital**

As on 31<sup>st</sup> March, 2020, the Company's issued and paid up capital stands Rs. 33,55,00,000/- divided into 33,550,000 fully paid up equity shares of Rs. 10/- each. During the year under review your Company's Authorized, Issued, Subscribed and Paid up Share Capital remained unchanged.

**13. Board of Directors and Key Managerial Personnel**

The Hon'ble NCLT vide order dated February 13, 2019 had initiated the CIRP Proceedings against the Company and pursuant to Section 17 of the IBC, the powers of the Board of Directors of the Company stood suspended, and such powers are vested with the Resolution Professional, Mr. Prashant Jain.

The outcome of the CIRP may result in change in the Board of Directors of the Company followed by reconstitution of the statutory committees of the Board of Directors of the Company. In accordance with the provisions of the Companies Act, 2013 ('Act'), Mr. Amrut S. Gada retires by rotation at the ensuing Annual General Meeting ('AGM') and is eligible for re-appointment.

Mr. Ashwin S. Shetty, Vice President - Operations & Company Secretary is the Key Managerial Person.

**14. Corporate Governance:**

A separate report on Corporate Governance and Certificate of the Auditors of your Company regarding compliance of the conditions of Corporate Governance as stipulated in Regulation 15 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, with the Stock Exchanges, are enclosed elsewhere in the Annual Report and forms part of this report.

**15. Public Deposits:**

During the financial year 2019 - 20, your Company has not accepted any deposit within the meaning of Sections 73 and 74 of the Companies Act, 2013 read together with the Companies (Acceptance of Deposits) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force). The Outstanding Deposits payable during the period under review was to the extent of Rs.18,68,39,755 (Principal & interest).

**16. Sexual Harassment Policy:**

The Company has in place a Prevention of Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. During the financial year 2019-20, no complaints were received by the Company related to sexual harassment.

**17. Directors Responsibility Statement:**

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- (i) That in preparation of the annual financial statements for the year ended March 31, 2020; the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- (ii) That appropriate accounting policies have been selected & applied consistently & judgments and estimates made are reasonable & prudent so as to give a true & fair view of the state of affairs of the Company at the end of the financial year ended March 31, 2020 & of the profit or Loss of the Company for the said year;
- (iii) That proper & sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company & for preventing & detecting fraud & other irregularities;
- (iv) That the annual accounts have been prepared on a going concern basis.

(v) The Company has an established internal financial control framework including internal controls over financial reporting, operating controls and for the prevention & detection of frauds & errors. The framework is reviewed periodically by Management and tested by the internal audit team appointed by the Management to conduct the internal audit. Based on the periodical testing, the framework is strengthened from time to time to ensure the adequacy and effectiveness of internal financial controls.

(vi) That systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

#### **18. Statutory Auditors**

In accordance with Section 139 of the Companies Act, 2013, the Members of the Company in its Twentieth Annual General Meeting, held on September 29, 2018 had appointed M/s. KSPM & Associates, Chartered Accountants, Firm registration no. 104723W as the Statutory Auditors of the Company. Earlier, proviso to Section 139(1), of the Companies Act, 2013 provided that the appointment of the Statutory Auditors is required to be ratified by the Members at every Annual General Meeting held during their tenure. However, the said proviso was omitted w.e.f. 7th May, 2018 by the Companies Amendment Act, 2017 and thereby the notice of this meeting does not include the proposal seeking ratification of the appointment of the Statutory Auditors.

#### **Auditors' Report:**

The report of Auditors and notes forming part of the Accounts are attached along with the Annual Report.

#### **Comments on Auditors' Report:**

Reply to the qualifications made in Auditor's report:

#### **Auditors Qualification no. 1**

Bank Statements of Non Operational Bank Accounts from 01.04.2019 to 31.03.2020 were not available for verification. These Bank Accounts cannot be operated due to restrictions imposed

(attached) by Statutory Authorities. The Company has written to the Banks in this regard but statements were not received till the date of audit.

#### **Company's comments on the qualification no. 1**

The Company has been admitted to undergo Corporate Insolvency Resolution Process (CIRP) vide the order of the Hon'ble NCLT, Mumbai bench w.e.f. February 13, 2019. The affairs of the Company are administered by the Resolution Professional, since the powers of the Board of Directors of the Company are suspended.

Few of the Bank accounts of the Company have been attached by the authorities since a long time now towards non-payment of statutory liabilities and hence there have been no transactions in these accounts in the past few years now. The Resolution Professional has communicated in writing to the Banks for obtaining Bank statements however we were unable to obtain Bank Statements.

Since there are no transactions in these Bank Accounts, Balances as per Books of Accounts and as per Bank Statement ought not to be different/materially different.

Hence there is no impact of the qualification of the Financials.

#### **Auditors Qualification no. 2**

The RP has completed the process of receiving, collating, and verifying such claims and based on the final list dated 17.07.2019 we report that the Losses & Liabilities of the Company are under stated as tabulated below as impact of the admitted liabilities has not been considered in preparation of the accompanying unaudited Standalone Financial Statements. Hence the Liabilities are understated to the extent and retained earnings are overstated to the extent of Rs 55.94 crores as given below.

As on 17.07.2019 - Kindly refer note below

Particulars	Admissible / Admitted Amount (Rs.)	Liability as per Books of Accounts (Rs.)	Shortfall (Liabilities understated/ Reserves overstated) (Rs.)
Financial Creditors	1,13,75,39,434	77,36,13,356	36,39,26,078
Operational Creditors	7,26,24,309	6,17,69,849	1,08,54,460
Statutory Dues	25,50,26,780	7,03,79,555	18,46,47,225
Employee Dues	81,55,978	81,55,978	Nil
Deposit Holders Form CA	2,02,22,000	2,02,22,000	Nil
Total	1,49,35,68,501	93,41,40,738	55,94,27,763

Note: During 01.04.2019 to 31.03.2020, the Company has, pending approval of the Resolution plan has provided for Interest on Financial Creditors (except Interest on ICD Taken) and Public Deposit during the quarter end and hence short fall not being material has not been separately computed.

In the aforesaid table, in respect of Admissible Admitted Amount and Liabilities as per Books, liability only respect of Forms Received has been stated as per Liability as per Books Column. This has been done to give a fair presentation. Total Amount payable on account of Principal and Interest payment to Public Fixed Deposit Holders as on 31st March, 2020 as per Books of Accounts is Rs. 18.68 crores.

**Company's comments on the qualification no. 2.**

The Company has been admitted to undergo Corporate Insolvency Resolution Process (CIRP) vide the order of the Hon'ble NCLT, Mumbai bench w.e.f. February 13, 2019. The affairs of the Company are administered by the Resolution Professional, since the powers of the Board of Directors of the Company are suspended. The Resolution Professional has

of Financial & Operational Creditors as per the statement above. Pending Completion of the CIRP Process, acceptance of Resolution Proposal by National Company Law Tribunal and uncertainty regarding ultimate liability to discharge the liability the Company has not accounted for the Liability of Rs. 55.94 crores & hence the qualification.

**Auditors Qualification no. 3**

Non Compliance of IND AS 19-Employee Benefits provision for retirement benefits relating to actuarial valuation of Gratuity and Leave Encashment.

**Company's comments on the qualification no. 3.**

The Company has been admitted to undergo Corporate Insolvency Resolution Process (CIRP) vide the order of the Hon'ble NCLT, Mumbai bench w. e. f. February 13, 2019. The affairs of the Company are administered by the Resolution Professional, since the powers of the Board of Directors of the Company are suspended.

The Company has been reeling under severe financial crisis since the past few years now and in view of the same, the Actuarial Valuation Reports for Valuation of Gratuity and Leave Encashment remained pending from a long time. We are in the process of getting the Actuarial Valuation of Gratuity and Leave Encashment done soon.

In absence of these reports we are unable to assess the impact on the financials results of the Company.

**Auditors Qualification no. 4**

Balances in ledgers of Sundry Receivables (Debtors), Sundry Payables (Creditors), Loans/Advances/Inter Corporate Deposits (other than Group Companies)/Security Deposits accepted and made/given are subject to confirmation and reconciliation.

**Company's comments on the qualification no. 4.**

The Company has been admitted to undergo Corporate Insolvency Resolution Process (CIRP) vide the order of the Hon'ble NCLT, Mumbai bench w. e. f. February 13, 2019. The affairs of the Company are administered by the Resolution Professional, since the powers of the Board of Directors of the Company are suspended.

As a part of Corporate Insolvency Restructuring Process (CIRP), the Resolution Professional had called for claims from Financial and Operational Creditors. The claims which have been admitted by the Resolution Professional for financial creditors also includes interest from the date of the Company's account turning Non performing (NPA) till the date of the filing of the

claim by the financial Creditors. The Company had not provided for interest after the account turned NPA, hence the difference in the claimed for and accounted figure of Rs 55.94 crores as referred to in Point No 2 of Audit Review Report. This is one of the major reasons for differences in ledger balances.

#### 19. Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 M/s. Tariq Budgujar & Co., Practicing Company Secretaries to conduct Secretarial Audit for the financial year ended March 31, 2020. The Qualifications stated in the Secretarial Audit Report are self-explanatory. The Secretarial Audit Report is attached as '**Annexure B**'.

#### 20. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo.

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, is annexed as "**Annexure C**" forms part of this Report.

#### 21. Human Capital

The statement containing particulars of employees as required under Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed herewith as **Annexure "D"** and forms part of this Report.

Relations with employees remained to be cordial. Your Company had 72 employees as of 31<sup>st</sup> March 2020.

#### 22. Details of Subsidiary/Joint Ventures/Associate Companies:

As on March 31, 2020, the Company has one Associate Company "Sejal Firebaan Glass Private Limited (CIN No. U26100MH2010PTC206019). The Consolidated Financial Statements presented by the Company for the year ended March 31, 2020 include financial results of its Associates Company.

A report on the performance and the financial position of the joint venture in Form AOC-1 is attached **Annexure - E**.

**23. Related Party Transactions:**

All related party transactions that were entered into during the financial year were in the ordinary course of the business and on an arm's length basis. The Company has not entered into material contracts or arrangements or transactions with related parties in accordance with Section 188 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014. The details of the related party transactions are set out in Notes to the Standalone Financial Statements of the Company.

Form AOC - 2 pursuant to Section 134 (3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is set out in the **Annexure-F** to this report.

**24. Particulars of Loans, Guarantees and Investments:**

No loans, guarantees or Investments covered under sections 186 of the Companies Act, 2013, have been given or provided during the year. Particulars of loans given and investments made & outstanding as on March 31, 2020 are given in the notes forming part of the financial statement.

**25. Vigil Mechanism/Whistle Blower Policy:**

The Board of Directors of the Company has, pursuant to the provisions of Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, framed "Vigil Mechanism Policy" for Directors and employees of the Company to provide a mechanism which ensures adequate safeguards to employees and Directors from any victimization on raising of concerns of any violations of legal or regulatory requirements, incorrect or misrepresentation of any financial statements and reports, etc. The employees of the Company have the right/ option to report their concern/ grievance to the Chairman of the Audit Committee. The said Policy is available on the website of the Company. The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations.

**26. Evaluation of Board, Committees and Directors**

In view of the fact that the Company continued to be under CIRP during the year under review and since the powers of the Board of Directors being suspended with Mr. Prashant Jain, the Resolution Professional carrying out the day to day operations of the Company the evaluation of the Board, Committees and Directors was not done.

**27. Familiarization Programme of Independent Directors:**

The powers of the Board of Directors have remained suspended since February 13, 2019 when the Company was admitted under the CIRP by the Hon'ble NCLT, Mumbai bench. Hence, no familiarization Programme of Independent Directors took place in the Company during the year.

**28. Disclosure under Section 197(12) of the Companies Act, 2013 and Other Disclosures as Per Rule 5 of Companies (Appointment & Remuneration) Rules, 2014:**

The statement containing particulars of employees as required under 197(12) of the Companies Act, 2013 read along with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not applicable to the Company as no employees were in receipt of remuneration above the limits specified in Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The ratio of the remuneration of each Director to the median employee's remuneration and other details in terms of Section 197(12) of the Companies Act, 2013 read along with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed herewith as **Annexure 'D'** and forms part of this Report.

**29. Corporate Social Responsibility Policy**

As per section 135 of the Companies Act, 2013, the Company is not required to undertake any CSR activities for the financial year 2019-20 and accordingly information required to be provided under Section 134 (3) (o) of the Companies Act, 2013 read with the Rule 9 of the Companies (Accounts) Rules, 2014 in relation to disclosure about Corporate Social Responsibility are currently not applicable to the Company.

### 30. Cautionary Statements

Statements in this Report and the Management Discussion and Analysis may be forward looking within the meaning of the applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Certain factors that could affect the Company's operations include increase in price of inputs, availability of raw materials, changes in Government regulations, tax laws, economic conditions and other factors.

### 31. Acknowledgement

Your Directors wish to thank the Company's customers, vendors, suppliers and investors for their continuous support. The Directors also thank the Banks, Financial Institutions, shareholders and concerned Government departments and agencies for their continued support.

Your Directors wish to place on record their deep sense of appreciation & gratitude to the Company's employees for their hard work, co-operation and support.

For and on behalf of the Board of Directors

**Amrut S. Gada**

*Erstwhile* Chairman & Managing Director

Place: Mumbai

Date: November 13, 2020

**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**  
**as on the Financial Year ended on 31.03.2020**  
**[Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company**  
**(Management and Administration ) Rules, 2014.]**

<b>I REGISTRATION AND OTHER DETAILS:</b>		
i	CIN	L26100MH1998PLC117437
ii	Registration Date	11-12-98
iii	Name of the Company	SEJAL GLASS LIMITED
iv	Category/Sub-category of the Company	Company Limited by Shares /Indian Non-government Company
v	"Address of the Registered office & contact details"	"173/174, 3rd Floor, Sejal Encasa, Opp. Bata Showroom, Kandivali (West), Mumbai - 400 067, Tel.: 022-28665100, Fax No. 022-28665102, Email id.: compliance@sejalglass.co.in"
vi	Whether listed company	Yes
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	"Link In Time India Pvt. Ltd. C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083 Tel:022-49186000, Fax: +91 – 22 – 249186060 Email id.:nayna.wakle@linkintime.co.in,"

<b>II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY</b>	
	All the business activities contributing 10% or more of the total turnover of the company shall be stated :

SR. No.	Name and Description of main products/services	"NIC Code, 2008 of the Product /service"	% to total turnover of the company"
1	Glass Processing Division	Division 231, Group 2310	100.00%

<b>III PARTICULARS OF HOLDING, SUBSIDIARY &amp; ASSOCIATE COMPANIES</b>					
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SR. No.	Name and Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES	APPLICABLE SECTION
1	Sejal Firebaan Glass Private Limited	U26100MH2010 PTC206019	ASSOCIATE	48.78%	2(6)

SHAREHOLDING PATTERN (Equity Share capital Break up as percentage of Total Equity)										
IV i) Category of Shareholders	Category-wise Share Holding					No. of Shares held at the end of the year i.e. 31/03/2020				% Change during the year
	No. of Shares held at the beginning of the year i.e. (01/04/2019)					Demat	Physical	Total	% of Total Shares	
	Demat	Physical	Total	% of Total Shares						
A. Promoters										
(1) Indian										
a) Individual/HUF	10002000	0	10002000	29.81	10002000	0	10002000	29.81	0.00	
b) Central Government/ State Government	0	0	0	0	0	0	0	0	0	
c) Bodies Corporate	5721283	0	5721283	17.05	5721283	0	5721283	17.05	0.00	
d) Banks / Financial Institutions	0	0	0	0	0	0	0	0	0	
e) Any other (Persons Acting In Concert)	1225500	0	1225500	3.65	1225500	0	1225500	3.65	0.00	
SUB TOTAL:(A) (1)	16948783	0	16948783	50.51	16948783	0	16948783	50.52	0.01	
(2) Foreign										
a) NRI- Individuals	0	0	0	0	0	0	0	0	0	
b) Other Individuals	0	0	0	0	0	0	0	0	0	
c) Bodies Corporate	0	0	0	0	0	0	0	0	0	
d) Banks/Financial Institution	0	0	0	0	0	0	0	0	0	
e) Any other	0	0	0	0	0	0	0	0	0	
SUB TOTAL (A) (2)	0	0	0	0	0	0	0	0	0	
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	16948783	0	16948783	50.52	16948783	0	16948783	50.52	0.00	
B. PUBLIC SHAREHOLDING										
(1) Institutions										
a) Mutual Funds	0	0	0	0	0	0	0	0	0	
b) Banks/Financial Institution	0	0	0	0	0	0	0	0	0	
c) Central Government	0	0	0	0	0	0	0	0	0	
d) State Government	0	0	0	0	0	0	0	0	0	
e) Venture Capital Fund	0	0	0	0	0	0	0	0	0	
f) Insurance Companies	0	0	0	0	0	0	0	0	0	
g) FIIs	0	0	0	0	0	0	0	0	0	
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0	
i) Others (specify)	0	0	0	0	0	0	0	0	0	
SUB TOTAL (B)(1):	0	0	0	0	0	0	0	0	0	

[illegible]

(ii) SR. No.	SHARE HOLDING OF PROMOTERS Shareholders Name	Shareholding at the beginning of the year (01/04/2019)			Shareholding at the end of the year (31/03/2020)			% change in share holding during the year
		No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	SEJAL REALTY AND INFRASTRUCTURE LIMITED	3961000	11.81	0	3961000	11.81	0	0
2	AMRUT SHAVJI GADA	1450750	4.32	0	1450750	4.32	0	0
3	DHIRAJ SHAVJI GADA	1190000	3.55	0	1190000	3.55	0	0
4	BHAVNA AMRUT GADA	1116250	3.33	03.30	1116250	3.33	99.33	0
5	SHHANTTIBHAI SHAVJI GADA	1093750	3.26	0.60	1093750	3.26	18.29	0
6	MITESH KANJI GADA	1045250	3.12	0	1045250	3.12	0	0
7	SEJAL GLASS CRAFT PRIVATE LIMITED	1027500	3.06	03.06	1027500	3.06	03.06	0
8	KANCHAN SHHANTTILAL GADA	904000	2.69	1.35	904000	2.69	50.22	0
9	PREETI MITESH GADA	774250	2.31	2.29	774250	2.31	99.35	0
10	ANJU DHIRAJ GADA	640750	1.91	1.89	640750	1.91	99.22	0
11	SEJAL FINANCE LIMITED	517783	1.54	0	517783	1.54	0	0
12	HEMLATA DHIRAJ KARIA	492750	1.47	0	492750	1.47	0	0
13	ARUNA ASHISH KARIA	471250	1.40	0	471250	1.40	0	0
14	KANJI VALJI GADA	386500	1.15	0	386500	1.15	0	0
15	NAVAL KANJI GADA	371250	1.11	0	371250	1.11	0	0
16	SHAVJI VALJI GADA	331250	0.99	0	331250	0.99	0	0
17	ASHISH DHIRAJ KARIA	213000	0.63	0	213000	0.63	0	0
18	RUCHI MIHIR KARIA	208500	0.62	0	208500	0.62	0	0
19	DHIRAJ DEVJI KARIA	181250	0.54	0	181250	0.54	0	0
20	SEJAL INTERNATIONAL LIMITED	175000	0.52	0.52	175000	0.52	0.52	0
21	MIHIR DHIRAJ KARIA	130000	0.39	0.30	130000	0.39	0.30	0
22	DIWALIBEN SHIVJI GADA	117000	0.35	0	117000	0.35	0	0
23	AMRUTLAL SHIVJI GADA KARTA OF AMRUTLAL SHAVJIBHAI HUF	75000	0.22	0.22	75000	0.22	100	0
24	SEJAL INSURANCE BROKING LIMITED	40000	0.12	0	40000	0.12	0	0
25	DAMYANTI DUNGARSHI SHAH	30000	0.09	0	30000	0.09	0	0
26	SHANTILAL SHIVJI GADA KARTA OF SHHANTTIBHAI SHAVJIBHAI GADA HUF	4750	0.01	0.01	4750	0.01	100	0
	<b>Total</b>	<b>16948783</b>	<b>50.52</b>		<b>16948783</b>	<b>50.52</b>	<b>0</b>	<b>0</b>

CHANGE IN PROMOTERS' SHAREHOLDING						
(iii)	SR. No.	Shareholders Name	Shareholding at the beginning of the year (01/04/2019)		Cumulative Shareholding during the year (31/03/2020)	
			No of shares	% of total shares of the company	No of shares	% of total shares of the company
	1	At the beginning of the year				
		Date wise Increase/Decrease in promoters share holding during the year	NIL	NIL	NIL	NIL
		At the end of the year				

IV	
(iv)	Shareholding Pattern of Top 10 Shareholders (Other than Directors, Promoters and Holders of GDRS and ADRs):

Serial no.	Name of the Shareholder	Shareholding at the beginning of the year 01.04.2019		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	SAHUJAIN SERVICES LIMITED	850519	2.54	850519	2.54
2	KIRAN DAGDU SHINDE	505100	1.51	655100	1.95
3	SRI SALASAR SUPPLIERS PRIVATE LIMITED	388744	1.16	388744	1.16
4	MAHESH KUMAR MULCHAND KOTHARI	256910	0.77	280181	0.84
5	VIIVEK MADANLAL JAIN HUF	236052	0.70	236052	0.70
6	HASMUKE N DESAI	270,000	0.80	220000	0.66
7	GOLDEN GOENKA CREDIT PRIVATE LIMITED	203,570	0.61	169545	0.51
8	DAKSHA V JAIN	152307	0.45	152307	0.45
9	NEHAL JAIN	150,000	0.45	150000	0.45
10	ARVIND BECHARLAL SHAH	148000	0.44	148000	0.44

## IV(v)

## Shareholding Pattern of Directors and Key Managerial Personnel

	Particulars	Shareholding at the beginning of the year 01.04.2019		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	Amrut S. Gada:-				
	At the beginning of the year	1450750	4.32	1450750	4.32
	Date wise Increase/Decrease in promoters share holding during the year	0	0	0	0
	At the end of the year	1450750	4.32	1450750	4.32
2	Mitesh K. Gada:-				
	At the beginning of the year	1045250	3.12	1045250	3.12
	Date wise Increase/Decrease in promoters share holding during the year	0	0.00	0	0.00
	At the end of the year	1045250	1045250	1045250	3.12
3	ASHWIN S. SHETTY:- (Company Secretary)				
	At the beginning of the year	10	0.00003	10	0.00003
	Date wise Increase/Decrease in promoters share holding during the year	0	0.00003	0	0.00003
	At the end of the year	10	0.00003	10	0.00003

V	INDEBTEDNESS			
Indebtedness of the Company including interest outstanding/accrued but not due for payment				
	<b>Secured Loans excluding deposits</b>	<b>Unsecured Loans</b>	<b>Deposits</b>	<b>Total Indebtedness</b>
<b>Indebtedness at the beginning of the financial year as on 01/04/2019</b>				
i) Principal Amount	357,065,662	131,235,857	70,228,167	558,529,686
ii) Interest due but not paid	135,734,926	38,185,135	95,755,784	269,675,845
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	<b>492,800,588</b>	<b>169,420,992</b>	<b>165,983,951</b>	<b>828,205,531</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	338,710,092	-	20,855,804	359,565,896
Reduction		-		
<b>Net Change</b>				
<b>Indebtedness at the end of the financial year as on 31/03/2020</b>				
i) Principal Amount	443,629,924	-	70,228,167	
ii) Interest due but not paid	387,880,756	-	116,611,588	
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	<b>831,510,680</b>	<b>169,420,992</b>	<b>186,839,755</b>	<b>1,187,771,427</b>

VI	REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL			
A.	Remuneration to Managing Director, Whole time director and/or Manager			
SR. No.	Particulars of Remuneration	Name of the MD/WTM/KMP		
1	Gross salary	Amrut Gada	Mitesh Gada	
(a)	Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	NIL	NIL	
(b)	Value of perquisites u/s 17(2) of the Income tax Act, 1961	0	0	
(c)	Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0	0	
2	Stock option	0	0	
3	Sweat Equity	0	0	
4	Commission as % of profit others (specify)	0	0	
5	Others, please specify	0	0	
	<b>Total (A)</b>	<b>NIL</b>	<b>NIL</b>	
	<b>Ceiling as per the Act</b>	<b>0</b>	<b>0</b>	

B. Remuneration to other directors:			
Sr. No.	Particulars of Remuneration	Name of the Directors	Total Amount
1	Independent Directors	Praful Nisar	
(a)	Fee for attending board committee meetings	0	0
(b)	Commission	0	0
(c)	Others, please specify	0	0
	<b>Total (1)</b>	<b>0</b>	<b>0</b>
2	Other Non Executive Directors	N.A.	N.A.
(a)	Fee for attending	0	0
(b)	Commission	0	0
(c)	Others, please specify	0	0
	<b>Total (2)</b>	<b>0</b>	<b>0</b>
	<b>Total (B)=(1+2)</b>	<b>0</b>	<b>0</b>
	<b>Total Managerial Remuneration</b>	<b>0</b>	<b>0</b>
	<b>Overall Ceiling as per the Act</b>		

C.	REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD
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Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		CEO	Company Secretary	Total
1	Gross Salary			
(a)	Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	0	3600000	3600000
(b)	Value of perquisites u/s 17(2) of the Income Tax Act, 1961	0	0	0
(c)	Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission as % of profit	0	0	0
5	Others, please specify	0	0	0
	<b>Total</b>	<b>0</b>	<b>3600000</b>	<b>3600000</b>

VII	PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES : N. A.
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Type	Section of the Companies Act	Brief Description	Details of Penalty /Punishment/Compounding fees imposed	Authority [RD / NCLT/COURT]	Appeal made, if any (give Details)
A. Company					
Penalty	As per Annexure-I				
Punishment	As per Annexure-I				
Compounding	As per Annexure-I				
B. Directors					
Penalty	Same as above				
Punishment	Same as above				
Compounding	Same as above				
C. Other Officers In Default					
Penalty	Same as above				
Punishment	Same as above				
Compounding	Same as above				

Sr No.	Section of the Companies Act	Brief Description	Compounding Application filed	Authority [RD / NCLT/ COURT]
1	Section 205C of Companies Act, 1956	<p>"The Company was inspected under Section 207 of the Companies Act, 2013 by an Officer authorized by the Central Government in October 2016. During the Course of inspection, the inspecting officer observed that the Company was having Unpaid Dividend amount of Rs. 1,00,793/- for the year 2006-2007, which was required to be transferred in Investor Education &amp; Protection Fund (IEPF). The inspecting officer further observed from Para No. VII (A) of the Corporate Governance Report for the Annual Account of year 31.03.2015 that Unclaimed Dividend was due for transfer to IEPF. The Company vide its response letter dated 29.12.2016 humbly submitted that the Dividend Account bearing account number 65042962182 with State Bank of Patiala Nariman Point Branch has been attached by the Maharashtra Sales Tax Department for non-payment of CST &amp; MVAT dues. The Company has represented to Sales Department that the Dividend Account cannot be attached as it is Shareholders funds and have sought release of attachment. However, the Sales Tax Authorities have not released the attachment. Hence the Company could not remit the Unpaid Dividend Amount to IEPF. The Company also simultaneously has been writing to IEPF authority to impress upon the Sales Tax Department to lift the wrongful attachment. The Company also requested to the MCA office to advise the Sales Tax Department to release the attachment, to enable the Company to remit dues to IEPF authority. However, Application for Compounding of offence U/S 441 of the Companies Act 2013 for Contravention section 205C of The Companies Act 1956 has been filed before RD"</p> <p>"Default in maintenance of Register of Charges as per Rule 10 of the Companies (Registration of Charges) Rules, 2014, with respect to entry of note no. 5 to the financial statements for the year ended as on 31-03-2015 that State Bank of Patiala assigned the balance amount of Term Loan &amp; cash Credit outstanding at 12-06-2014 to M/s Edelweiss Assets Reconstruction Company Limited. The Company vide its response letter dated 29.12.2016 humbly submitted that the necessary entry has been updated in the Register of charges, hence no non-compliance.</p>	Yes	RD

Sr No.	Section of the Companies Act	Brief Description	Compounding Application filed	Authority [RD / NCLT/ COURT]
		However, application for Compounding of offence U/S 441 of the Companies Act 2013 for violation of Rule 10 of the Companies (Registration Of Charges) Rules, 2014 Read With Section 450 Of The Companies Act, 2013 have been filed."	Yes	RD
2	Rule 10 of the Companies (Registration Of Charges) Rules, 2014 Read With Section 450 Of The Companies Act, 2013	<p>"Default in maintenance of Register of Charges as per Rule 10 of the Companies (Registration of Charges) Rules, 2014, with respect to entry of note no. 5 to the financial statements for the year ended as on 31-03-2015 that State Bank of Patiala assigned the balance amount of Term Loan &amp; cash Credit outstanding at 12-06-2014 to M/s Edelweiss Assets Reconstruction Company Limited.</p> <p>The Company vide its response letter dated 29.12.2016 humbly submitted that the necessary entry has been updated in the Register of charges, hence no non-compliance.</p> <p>However, application for Compounding of offence U/S 441 of the Companies Act 2013 for violation of Rule 10 of the Companies (Registration Of Charges) Rules, 2014 Read With Section 450 Of The Companies Act, 2013 have been filed.</p>	Yes	RD
3	Section 2(13) Read With 128 of The Companies Act, 2013	<p>"Default of Non-updation of Fixed Assets Register, as per requirement of Section 2(13) read with 128 of the companies act, 2013, every company shall keep proper books of accounts with respect to Assets and Liabilities of the company at its registered office and same default mentioned in Annexure to the Auditor's Report on annual accounts for the year ended as on 31-03-2014 at para No.1(a) and same comment were found in Auditor's Report for the year ended as on 31-03-2015.</p> <p>The Company vide its response letter dated 29.12.2016 humbly submitted that the necessary entry has been updated in the Register of charges, hence no non-compliance.</p> <p>However, Application for Compounding of offence U/S 441 of the Companies Act 2013 for violation of section 193(1) &amp; (1A) /118 of the Companies Act, 1956/2013 has been filed.</p>	Yes	RD
4	Section 2(13) Read With 128 of The Companies Act, 2013	"Default by Company in non-numbering/ paging of minutes of the meeting of the Board of Directors and General Meetings submitted for the last 5 years.	Yes	RD

Sr No.	Section of the Companies Act	Brief Description	Compounding Application filed	Authority [RD / NCLT/ COURT]
	The Companies Act, 2013	<p>The Company vide its response letter dated 29.12.2016 humbly submitted that the necessary regularization in the records have been carried out, upon pointing out the lapses.</p> <p>However, application for Compounding of offence U/S 441 of the Companies Act 2013 for violation of section 193(1) &amp; (1A) /118 of the Companies Act, 1956/2013 have been filed."</p>		
5	Section 211/129 of the Companies Act, 1956/2013	<p>"The Company had made reversal of Revaluation Reserve for Rs. 42,99,00,909/-. In this regard nothing has been commented in the respective Balance sheet. This reversal of revaluation showed the company had made over revelation by which the value of assets had been shown at higher side in the Balance sheet as at 31.03.2011 and 31.03.2012.</p> <p>The Company vide its response letter dated 29.12.2016 humbly submitted that due to oversight missed out on disclosure with respect to reversal of revaluation. This was done essentially to reflect historical values as the Company was going through difficult times since 2011-12. By so doing, the Company had ensured that the Company's financial statements are true and fair in the period ending 31.03.2013 and thereafter.</p> <p>However, application for Compounding of Offence U/S 441 of the Companies Act 2013 for Contravention of Section 211/129 of the Companies Act, 1956/2013 have been filed.</p>	Yes	RD
6	Section 217 (3) of the Companies Act, 1956	<p>"During the inspection by the officer of the Central Government it was observed that the Company's Directors failed give fullest information and explanation in the Directors' Report for the year ended 31-03-2012 and 31-03-2013 in respective annual accounts. Due to this Company was in default as per Section 217(3) of the Companies Act, 1956.</p> <p>The Company vide its response letter dated 29.12.2016 humbly submitted that the Statutory Auditors comment in Para 4, 7 and 8 in the Annexure to the Audit report for F.Y. 2011-12 and in Para 6, 9 and 11 in the Annexure to Audit report for the FY 20112-13 were not qualifications and they were just observations which did not have adverse effect on the Financials of the Company. Explanatory statements in the Directors report need to be given for any observation in the main</p>	Yes	RD

Sr No.	Section of the Companies Act	Brief Description	Compounding Application filed	Authority [RD / NCLT/ COURT]
		<p>Audit Report and not on the CARO Report despite which the Board of the Company had provided clarifications in the Directors Report (Page 18 of Annual Report for FY 2011-12 and Page No 29 of Annual Report of FY 2012-13) to the said observations. Management has taken note of these Auditors observations and reviewing the internal Control weaknesses in it's monthly meetings and taking actions to plug the loopholes and to insulate the systems. Hence, there is no violations of Section 217(3) as alleged.</p> <p>However, application for Compounding of offence U/S 441 of the Companies Act 2013 for violation of Section 217(3) of the Companies Act, 1956 has been filed."</p>		
7	Section 224 (8)/142(1) of the Companies Act, 1956/ 2013	<p>"During the course of inspection it was observed that the Company in its Board of Directors minutes had not fixed any remuneration of Auditors in their meeting held due to which company failed to make compliance as per Section 224(8)/142(1) of the Companies Act 1956/2013.</p> <p>The Company vide its response letter dated 29.12.2016 humbly submitted that Section 142 of the Companies Act 2013 provides that the remuneration of the auditor of a company shall be fixed in its general meeting or in such manner as may be determined therein. The Board has all along authorized the CMD of the Company to discuss with the auditors &amp; finalize their remuneration which amount is then reflected in the P&amp; L Account. However, application for Compounding of offence U/S 441 of the Companies Act 2013 for violation of Section 224(8)/142(1) of the Companies Act, 1956/2013 has been filed."</p> <p>Therefore, Application for Compounding of offence U/S 441 of the Companies Act 2013 for violation of Section 224(8)/142(1) of the Companies Act, 1956/2013.</p>	Yes	RD
8	Section 299 (3)(c) of the companies Act, 1956	<p>"During the course of inspection it was observed that the Directors of company had given General Notice of interest in Form-24AA pursuant to Section 299(3)(b) of the companies act, 1956 the same was laid before the Board of Directors meeting as on 27-05-2011 instead of putting the same in the meeting held on 25-04-2011 and same default was continue in next year also.</p> <p>The Company vide its response letter dated 29.12.2016 humbly submitted that the notice of interest by Directors though signed by the Directors on 31/03/2011, were</p>	Yes	RD

Sr No.	Section of the Companies Act	Brief Description	Compounding Application filed	Authority [RD / NCLT/ COURT]
		<p>submitted by the Directors to the Company only before the Board Meeting proposed to be held on 30/05/2012 &amp; thus the same were taken on record in the Board meeting held on 30/05/2012. Hence there is no violation of Section 299(3) (c) of the Companies Act, 1956.</p> <p>However, application for Compounding of offence U/S 441 of the Companies Act 2013 for violation of Section 299(3)(c) of the companies Act, 1956 has been filed."</p>		
9	Section 303/170 of the Companies Act, 1956/2013 Read with Rule 17 of the Companies (Appointment of Directors) Rules, 2014	<p>"During the inspection it was observed that the Company was in default to maintain Register of Directors, Managing Director etc. under Section 303/170 of the Companies Act 1956/2013, that company had not made updation/entry as regards to re-appointment of Mr. Amrut Gada as Managing Director and Mr. Mitesh Gada as Executive Director of the Company in the said Register.</p> <p>The Company vide its response letter dated 29.12.2016 humbly submitted that the registers were updated as on date &amp; hence there is no violation of the provisions of Section 303/170 of the Companies Act, 1956/2013 read with Rule 17 of the Companies (Appointment of Directors) Rules, 2014, with a request to take a lenient view of the clerical lapse and not take any legal action.</p> <p>Therefore, Application for Compounding of offence u/s 441 of the Companies Act 2013 for violation of Section 303/170 of the Companies Act, 1956/2013 Read with Rule 17 of the Companies (Appointment of Directors) Rules, 2014."</p>	Yes	RD
10	Section 211/129 of the Companies Act, 1956/2013	<p>"During the course of inspection, inspecting officer observed from a note which was stated below schedule-6 attached with Balance Sheet 31.3.2011 that the company has revalued Land and Buildings as at 31.03.2011. The resultant addition on revaluation has been credited to Revaluation Reserve. Depreciation on building has been calculated on the original cost as the company has revalued the building as of 31.03.2011. As per Para No. 26 of AS-6 "Where the depreciable assets are revalued, the provisions for depreciation should be based on the revalued amount and on the estimates of remaining useful lives of such asset. In case the revaluation has a material effect on the amount of depreciation, the same should be disclosed separately in the year in which revaluation is carried out.</p>	Yes	RD

Sr No.	Section of the Companies Act	Brief Description	Compounding Application filed	Authority [RD / NCLT/ COURT]
		<p>In view of above facts, the company failed to make compliance of AS-6 notified by Central Government as the depreciation was not provided on revalued amount nor proper disclosure was made in Annual Accounts.</p> <p>The Company vide its response letter dated 29.12.2016 humbly submitted that it has revalued its Land and Building as of 31st March, 2011 as per the valuation report provided by Mr. Shyam Agarwal, approved Government valuers and the Company has disclosed the same in clause 1(d) to the Notes to Accounts. As the building was revalued as at 31st March, 2011, which was the last day of the financial year, depreciation was calculated on the original cost of the asset only.</p> <p>"</p> <p>However, Application for Compounding of offence U/S 441 of the Companies Act 2013 for Contravention of Section 211/129 of the Companies Act, 1956/2013.</p>		
11	Section 211/129 of the Companies Act, 1956/2013	<p>"During the course of inspection, the inspecting officer observed from Profit and Loss Account for the year as on 31.03.2011 that company failed to make Basic and Diluted Earnings/Loss per Share even if the amount disclosed are negative , thereby failed to make compliance of AS-20 and violated section 211(3A) of the Companies Act 1956.</p> <p>The Company vide its response letter dated 29.12.2016 humbly submitted that the said amount was inadvertently not disclosed in the financial statements for the year ended 31st March, 2011 though disclosure of the same was made in the Notes to Accounts. Please note that EPS including Negative EPS (Loss Per share) has been disclosed in all the subsequent years till 31.3.2015.</p> <p>However, Application for Compounding of offence U/S 441 of the Companies Act 2013 for Contravention of Section 211/129 of the Companies Act, 1956/2013.</p>	Yes	RD
12	Section 211/129 of the Companies Act, 1956/2013	<p>"Company failed to make disclosure as per section 22 of Micro, Small and Medium Enterprises Development Act, 2006 in the Balance Sheets as on 31-03-2012, 2013, 31-03-2014 and 31-03-2015. Due to this there has been a default in complying with Section 211(7)/129(7) of the Companies Act, 1956/2013.</p> <p>The Company vide its response letter dated 29.12.2016 humbly submitted that it had contacted customers/suppliers over the phone and requested them to confirm if they fall within the ambit of to obtain MSME Act and</p>	Yes	RD

Sr No.	Section of the Companies Act	Brief Description	Compounding Application filed	Authority [RD / NCLT/ COURT]
		<p>if so to provide the relevant information along with documentary evidence. None of the suppliers/customers have confirmed when contacted that they fall within the ambit of MSME.</p> <p>However, application for Compounding of offence U/S 441 of the Companies Act 2013 for Contravention of Section 211/129 of the Companies Act, 1956/2013 have been filed.</p>		
13	Section 211/129 of the Companies Act, 1956/2013	<p>"During the course of inspection it was observed that the Company made improper disclosure towards Inter Corporate Deposits in Balance Sheet as at 31-03-2012 in accordance to Schedule VI of the Act. Due to this Company was in default as per Section 211(7) of the Companies Act, 1956.</p> <p>The Company vide its response letter dated 29.12.2016 humbly submitted that it is only a stray case of grouping error and had not changed the Assets and Liability status in the Balance sheet. However it may be noted that the error was unintentional and did not result in distorted disclosure.</p> <p>However, application for Compounding of offence U/S 441 of the Companies Act 2013 for Contravention of Section 211/129 of the Companies Act, 1956/2013 has been filed.</p>	Yes	RD
14	Section 211/129 of the Companies Act, 1956/2013	<p>"During the course of inspection it was observed that the Company failed to made disclose nature of Prior Period items in Profit and Loss of the company in P&amp;L at 31-03-2011, 31-03-2012, 31-03-2013, 31-03-2014 and 31-03-2015 as per para no. 15 of AS -5 notified by Central Government. Due to this Company has been in default as per Section 211(3A)/129(1) of the Companies Act, 1956/2013.</p> <p>The Company vide its response letter dated 29.12.2016 humbly submitted that due to oversight, the compliance with para 15 of the AS 5 has not been made as rightly pointed out by your good selves. However prior period (Expense) or Income (Being the net figure) have been discussed in the body of main profit and loss accounts of all the years under review. Therefore it would not vitiate the true and fair view of the profit or Loss of the company for the relevant years, which may please be noted.</p> <p>However, application for Compounding of offence U/S</p>	Yes	RD

Sr No.	Section of the Companies Act	Brief Description	Compounding Application filed	Authority [RD / NCLT/ COURT]
		441 of the Companies Act 2013 for Contravention of Section 211/129 of the Companies Act, 1956/2013 have been filed.		
15	Section 211/129 of the Companies Act, 1956/2013	<p>"During the course of inspection it was observed that the Company failed to made disclosure in respect of Deferred Tax on assets and liabilities in Balance Sheet at 31-03-2013, 31-03-2014 as per AS - 22 notified by Central Government. Due to this the Company was in default as per Section 129(1) of the Companies Act, 2013 read with AS-22 notified by the Central Government.</p> <p>The Company humbly submitted that the company did not provide for Deferred Tax in its audited accounts as at 31.3.2015 due to lack of virtual certainty of future taxable profits and the same was disclosed by the company in Note 26.9 of Additional information to financial statements. The Company was providing for deferred tax assets as it was hopeful of a turnaround in its fortunes till end of March 2014. However, since the Auditors have also remarked that there is no virtual certainty in its fortunes, the Company had also decided not to provide for deferred assets. Hence, there was no non-compliance of AS 22.</p> <p>However, application for Compounding of offence U/S 441 of the Companies Act 2013 for Contravention of Section 211/129 of the Companies Act, 1956/2013 have been filed.</p>	Yes	RD
16	Section 211/129 of the Companies Act, 1956/2013	<p>"During the course of inspection it was observed that the Company failed to made disclosure of information i.e. revalued amount substituted for historical cost of fixed assets, the method adopted to compute the revalued amounts, the nature of indices used and the year of appraisal made and whether an external value was involved , in case where fixed assets are stated on revalued amounts. Due to this the Company was in default as per Section 211(3A) of the Companies Act, 1956 read with AS-10 notified by the Central Government.</p> <p>The Company submitted that Disclosure of revalued amount substituted for historical cost of fixed assets is made under Schedule 6 "Fixed Assets" of the Balance Sheet as at 31st March, 2011. Also the fact that revaluation is done as per valuation report given by approved Government valuer was also disclosed in Point 1(d) of "Notes To The Accounts" for the year ended 31st March, 2011. Since it was disclosed that the valuation</p>	Yes	RD

Sr No.	Section of the Companies Act	Brief Description	Compounding Application filed	Authority [RD / NCLT/ COURT]
		<p>was done by an external approved valuer and not by the Company it is felt that the basis of revaluation is not required to be disclosed. Therefore, it is submitted that the company made a substantial compliance of AS-10.</p> <p>However, application for Compounding of offence U/S 441 of the Companies Act 2013 for Contravention of Section 211/129 of the Companies Act, 1956/2013 has been filed.</p>		
17	Section 211/129 of the Companies Act, 1956/2013	<p>"During the course of inspection it was observed that the Company's Annual Statements during the previous years (i.e. 31-03-2014) are not reflecting true &amp; fair view of its state of affairs and also its losses. Due to this Applicant in default as per Section 211(7)/129(7) read with schedule -VI (revised)/III of the Companies Act, 1956 /2013.</p> <p>The company submitted that it had always been evaluating the realisibility of the debts and bad debt is ascertained and written off to the profit and loss Account only when the possibility of realisation is virtually nil. The Company had after assessment, provided for these debts in the year 2014-2015. Hence there was no violation as alleged.</p> <p>However, application for Compounding of offence U/S 441 of the Companies Act 2013 for Contravention of Section 211/129 of the Companies Act, 1956/2013 has been filed.</p>	Yes	RD
18	Section 211/129 of the Companies Act, 1956/2013	<p>"During the course of inspection it was observed that the Company's Balance Sheet was not reflecting true &amp; fair view of its state of affairs to the stakeholder observed from balance sheet as at 31-03-2015 that schedule for deferred Tax assets was referred to note No. 27.50 of the said Balance Sheet but not such note is found attached with said Balance sheet. Due to this the Company has been in default as per Section 129 read with schedule - III of the Companies Act, 2013.</p> <p>The Company humbly submitted that inadvertently, due to typographical error, in the Balance sheet the note on Deferred Tax Assets was mentioned as 27.5 instead of note No 26.9. Minor typo error cannot be construed to be impacting true and fair view of the published accounts.</p> <p>However, application for Compounding of offence U/S 441 of the Companies Act 2013 for Contravention of Section 211/129 of the Companies Act, 1956/2013 has been filed.</p>	Yes	RD

Sr No.	Section of the Companies Act	Brief Description	Compounding Application filed	Authority [RD / NCLT/ COURT]
19	Section 211/ 129 of the Companies Act, 1956/ 2013	<p>"During the course of inspection it was observed that the Company's Balance Sheet was not reflecting true &amp; fair view of its state of affairs to the stakeholder observed from balance sheet as at 31-03-2015 that no doubtful amount had been shown in the Schedules/Notes as per requirement of para No. 6(M)(ii), 6(N)(iv)(1) 6(Q)(ii) and 6(S) (ii) of Schedule III. Due to this the Company was in default as per Section 129(7) read with schedule -III of the Companies Act, 2013.</p> <p>The Company humbly submitted that as explained in sl. no 34 above the provision so made periodically was of contingency provision for any liability the amount of which cannot be determined with substantial accuracy and not a specific provision Simultaneously, management has initiated measures to recover / realize the amounts and could recover amounts in some cases subsequently. Hence, in the provision it was not shown item-wise.</p> <p>However, application for Compounding of offence U/S 441 of the Companies Act 2013 for Contravention of Section 211/129 of the Companies Act, 1956/2013 has been filed."</p>	Yes	RD
20	Section 211/ 129 of the Companies Act, 1956/ 2013	<p>"During the course of inspection it was observed that the Company's Balance Sheet was not reflecting true &amp; fair view of its state of affairs to the stakeholder observed from balance sheet that the company is required to disclose period and amount of continuing default as on the Balance Sheet and date of repayment of Loans and Interest thereon separately in each case as per requirement of para No. 6(C)(vii) and 6(F)(iv) of Schedule III of the Companies Act, 2013. Due to this Applicant in default as per Section 129(7) read with schedule - III of the Companies Act, 2013.</p> <p>The Company humbly submitted that the State Bank of Patiala and Punjab National Bank have classified the credit facilities of the Company as Non-Performing Assets (NPA) on 30/9/2013 due to overdue interest &amp; installment exceeding 3 months and Bank of Maharashtra by 31.12.2013. These banks have initiated action against SAREASI Act 2002, and demanded the outstanding as on the date of NPA classification. The Company has reported details of continuing default in the Notes to the Loan schedules in the Balance sheets for the FY 2013- 14, FY 2014-15, FY 2015-16. Also the details of period and amount of continuing default</p>	Yes	RD

Sr No.	Section of the Companies Act	Brief Description	Compounding Application filed	Authority [RD / NCLT/ COURT]
		<p>of the Loans as on the Balance Sheet were given in Para No 11 in the Annexure to Auditors Report for the FY 2012-13. The Company is also year on year basis been reporting Unpaid matured deposits and interest accrued thereon under Note 9 Other Current Liabilities since F.Y. 2011-12. Therefore, there is no non-compliance of section 129(1) of the Companies Act, 2013.</p> <p>However, application for Compounding of offence U/S 441 of the Companies Act 2013 for Contravention of Section 211/129 of the Companies Act, 1956/2013.</p>		
21	Section 211/129 of the Companies Act, 1956/2013	<p>During the course of inspection, the inspecting officer observed from the list of debts submitted by the company that the company was having sundry Receivables of Rs. 11.84 Crores and Debtors of Rs. 9.02 crores due for more than 3 years. Whereas as per list of provisions for contingency submitted by the company, it had made only provisions for Rs. 2.04 crores towards sundry Receivables and Rs. 9.77 crores towards debtors. So the company had made less provision towards sundry receivable and overstated the same thereby the company's Annual accounts are not reflecting true and fair view of the affairs of the Company.</p> <p>The Company vide its response letter dated 29.12.2016 humbly submitted that on a total loans and advances of Rs. 118.55 Crs, the Company made a provision of approximately Rs. 23 Crs. after analyzing the recoverability or otherwise of each and every debtor/loans and advances. There is no hard and fast rule that the Company shall provide for all debts not realized within a specific time frame. Hence, there is no violation of Section 211(1)/129(1) of the Act merely because the debt was not collected within the credit period/repayment period allowed to respective parties.</p> <p>However, application for Compounding of offence U/S 441 of the Companies Act 2013 for Contravention of Section 211/129 of the Companies Act, 1956/2013 has been filed.</p>	Yes	RD
22	Section 211/129 of the Companies Act, 1956/2013	<p>"During the course of inspection, it was observed by the officer that the Company's Balance Sheet not reflecting true &amp; fair view of its state of affairs to the stakeholder observed from balance sheet as at 31-03-2013, 31-03-2014 and 31-03-2015 that the company had not shown Corporate Guarantee under Contingent Liabilities. due to this Applicant in default as per Section 211(1)/129</p>	Yes	RD

Sr No.	Section of the Companies Act	Brief Description	Compounding Application filed	Authority [RD / NCLT/ COURT]
		<p>(1) read with Schedule -VI/III of the Companies Act, 1956/2013.</p> <p>2. Thereby, considering Company's response to show cause notice of MCA and in view of above mentioned facts pointed out by the inspecting officer, the provision of as per Section 129(1) read with Schedule -VI of the Companies Act, 2013, had been violated by Company and its Directors/Officers of the company who are in default under the Companies Act.</p> <p>The Company vide its response letter dated 29.12.2016 humbly submitted that the outstanding Corporate Guarantee issued to M/s Juniper Hotels was shown in the Contingent Liability statement forming part of Notes to Audited accounts of FY 2013-14 and FY 2014-15.</p> <p>However, application for Compounding of offence U/S 441 of the Companies Act 2013 for Contravention of Section 211/129 of the Companies Act, 1956/2013 has been filed.</p>		
23	Section 211/129 of the Companies Act, 1956/2013	<p>"During the course of inspection, it was observed by the officer that the Company's Balance Sheet did not reflect the true &amp; fair view of its state of affairs to the stakeholders observed from Balance Sheet as at 31-03-2014 and 31-03-2015 that the company by insufficient provisions, the company under - stated its losses in the Profit &amp; Loss Accounts and over-stated its Assets in Balance Sheet. Due to this Company was in default as per Section 211(1)(2)/129(1) of the Companies Act, 1956/2013.</p> <p>The Company vide its response letter dated 29.12.2016 humbly submitted that the Company is engaged in manufacture of value added Glass and Trading in Glass and other building materials. Orders vary from customer to customer and these orders will have to be executed within tight schedule. As the timing of orders is uncertain, inventory of various sizes are maintained for long periods. Management reviews the non-moving and slow moving inventory periodically and decides on alternate use / disposal. Slow moving items, being in the form of glass do not have a shelf life and hence can be used at all times. The Non Moving Stock and Slow Moving Stock in spite of its nature have realizable value and have been liquidated through special sale or consumed on regular basis. Management decides on the provision requirement based on its realizable value. Hence there</p>	Yes	RD

Sr No.	Section of the Companies Act	Brief Description	Compounding Application filed	Authority [RD / NCLT/ COURT]
		<p>was no requirement for providing for slow moving inventory, which has positive value in the market. Hence there is also no violation as alleged.</p> <p>However, application for Compounding of offence U/S 441 of the Companies Act 2013 for Contravention of Section 211/129 of the Companies Act, 1956/2013 has been made.</p>		
24	Section 211/129 of the Companies Act, 1956/2013	<p>"During the course of inspection, it was observed by the officer that the Company's Balance Sheet did not reflect true &amp; fair view of its state of affairs to the stakeholders. From the observations in the Balance Sheet as at 31-03-2014 and 31-03-2015 the company had not capitalized Borrowing Cost in the amount of Capital Work-in-Progress shown during the year 2014-2015. The Company had failed to make compliance of AS-16 notified by the Central Government. Due to this Applicant in default as per Section 129(1) of the Companies Act, 2013 read with AS-16 notified by the Central Government.</p> <p>The Company vide its response letter dated 29.12.2016 humbly submitted that out of the total Capital Work in progress amounting to Rs 7.50 Crores as at 31.3.2015, Rs 7.30 crores comprised of the pending capitalization of some floors of building 'Sejal Encasa', The Company had almost completed all the structural work in March 2011 and only interiors were pending due to liquidity issue. Pending completion of work, these floors have been shown under Capital Work in Progress and have not been capitalized as Fixed Assets. The building also was occupied, pending occupation certificate from concerned authorities. As the construction of building was already completed, and as the building was occupied, capitalization of borrowing cost was not required as AS - 16 was not applicable to the facts of the case.</p> <p>However, application for Compounding of offence U/S 441 of the Companies Act 2013 for Contravention of Section 211/129 of the Companies Act, 1956/2013 has been filed.</p> <p>Therefore, Application for Compounding of offence U/S 441 of the Companies Act 2013 for Contravention of Section 211/129 of the Companies Act, 1956/2013.</p>	Yes	RD
25	Section 211/129 of the Companies	"During the Course of inspection, the inspecting officer observed from the list of bad debts written off during the financial year 2014-15 that the company had written off	Yes	RD

Sr No.	Section of the Companies Act	Brief Description	Compounding Application filed	Authority [RD / NCLT/ COURT]
	Act, 1956/ 2013	<p>Rs. 1,10,23,661/- in respect of claims against M/s. Sejal International Limited. The inspecting officer further pointed out that company had given guarantee to any party on behalf of M/s. Sejal International Limited. As and when M/s. Sejal International Limited failed to make such payment, the company made payment to the third party. It was further observed from the balance sheet as at 31.03.12, 31.03.13, 31.03.14 and 31.03.15, the company did not show above guarantee under Contingent Liabilities thereby violated the provisions of Section 129(1) of the Companies Act, 2013 read with Schedule III of the Act.</p> <p>The Company vide its response letter dated 29.12.2016 humbly submitted that it had not issued any Guarantee to any party on behalf of M/s Sejal International Limited (SIL) as stated in the afore said query.</p> <p>However, application for Compounding of offence U/S 441 of the Companies Act 2013 for Contravention of Section 211/129 of the Companies Act, 1956/2013 has been filed.</p>		

## ANNEXURE "B"

## Form No. MR-3

**SECRETARIAL AUDIT REPORT**

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule no. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2020**

**To**

**The Members,**

**SEJAL GLASS LIMITED**

3rd Floor, 173/174, Sejal Encasa,  
Opp. Bata Showroom, S. V. Road,  
Kandivali (West), Mumbai-400067.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practices by **SEJAL GLASS LIMITED** (hereinafter called "**the Company**"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

It is further stated that Sejal Glass Limited is under Corporate Insolvency Resolution Process ("CIRP") under the Insolvency and Bankruptcy Code 2016 ("IBC") vide an order of the Hon'ble National Company Law Tribunal ("NCLT"), Mumbai dated February 13, 2019. Mr. Prashant Jain has been appointed as the Resolution Professional ("RP") to administer the day to day operations of the Company. As per section 17 of the IBC, the powers of the Board of Directors stands suspended and such powers have vested with the RP appointed as said.

The COC vide its meeting held on November 06, 2019 have approved the Resolution Plan Submitted by the Resolution Applicant ("RA") & the same has been filed with the Hon'ble NCLT, Mumbai Bench for final approval. The Hon'ble NCLT vide its hearing dated July 02, 2020 have reserved the matter for pronouncement of order.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2020, complied with the statutory provisions listed hereunder and also that the Company has proper processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by **SEJAL GLASS LIMITED** ("the Company") for the financial year ended on 31<sup>st</sup> March, 2020, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under to the extent applicable;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment and Overseas Direct Investment;

**(Not Applicable to the Company during the Audit Period)**

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **Not Applicable**
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **Not Applicable**
  - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **Not Applicable**
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **Not Applicable**
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993; **Not Applicable**
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **Not Applicable**
  - (viii) The Securities and Exchange Board of India (Buyback of Securities) Regulations 1998; **Not Applicable**

We have also examined compliance with the applicable clauses/regulations of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India under the provisions of Companies Act, 2013; and
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")

**We Further Report That:**

1. According to the information and explanations given to us, the Company has defaulted in re-payment of Deposits accepted from public prior to commencement of Companies Act, 2013. In view of the same the Directors stand disqualified under Section 164 of Companies Act, 2013.
2. As informed by the management of the Company, the Sales Tax authorities have attached / sealed the banking accounts including unpaid/ unclaimed dividend account of the Company since there was default of payment of sales tax and due to that the Company is not in position to transfer amount of unpaid/ unclaimed dividend which was due to be transferred in Investor Education & Protection Fund during the financial year ended on 31st March 2016.

Post initiation of Corporate Insolvency Resolution Process w.e.f February 13, 2019 and suspension of the powers of the Board in terms of section 17 of the Insolvency and Bankruptcy Code, 2016, no meetings of the Board or Committees thereof have been held thereafter as all the powers of the board and its committees are being exercised by the Resolution Professional. With the vesting of the power of the Board w.e.f February 13, 2019 all management decisions have been taken by the Interim Resolution Professional / Resolution Professional.

3. The Listed Entity has delayed and non filing compliance under 55A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
4. The Board of Directors of the Company is not duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors for the financial year under review.
5. We have observed that all the directors of the company are disqualified as per Section 164(2) for non filing of Annual form of ROC and their DIN get deactivated.
6. The Company has not filed INC-22A and it shows status of the company in MCA is Active Non Compliant.

7. The website of the company is updated.
8. The Company has not paid custodial fees of NSDL and CDSL
9. The company has not paid Listing Fees of NSE and BSE.
10. The Company has not paid RTA fees.

**We further report that:**

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our Responsibility is to express an opinion on these Secretarial Records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test check basis to ensure that the correct facts are reflected in the secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for my opinion.
3. We have not verified the correctness and appropriateness of the financial records and books of accounts of the Company.
4. Wherever required, we have obtained the Management Representations about the compliance of laws, rules and regulations and occurrence of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test check basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For TARIQ BUDGUJAR & CO.  
COMPANY SECRETARIES**

**MOHAMMED TARIQ BUDGUJAR  
PROPRIETOR  
ACS No.:47471  
COP No.: 17462**

**Place: Mumbai  
Date: November 13, 2020**

## ANNEXURE "C"

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO ETC. U/S. 134 (3)(M) of COMPANIES ACT, 2013**

Additional Information in terms of Section 134 (3)(m) of the Companies Act, 2013, dealing with Conservation of Energy, Research & Development and Technology Absorption & Innovation.

**A. Conservation of Energy**
**a) Power & Fuel**

Power and fuel consumption	Units	2019-20	2018-19
Electricity Purchased	(KWH) Units	612960	1232440
Total Amount	Rs. In Lacs	101.82	109.77
Rate Per Unit	Rs.	16.61	8.91
Captive Generation D. G. Sets	(KWH) Units	1328	5824
Total Amount			
(Fuel, Mobil Oil & additives)	Rs. In Lacs	0	0
Rate Per KWH	Rs.	70.00	28.87
Diesel Consumption	Ltr		2468
Total Amount	Rs. in Lacs	0	1.79
Rate Per Ltr.	Rs.	70	72
LPG Gas	Kgs.	0	0
Total Amount	Rs. in Lacs	0	0
Rate Per Kg.	Rs.	0	0

**B. Technology absorption**

The Company continues its efforts by internal up-gradation program on Research and Development.

**C. Foreign Exchange Earning and Outgo**

Particulars	2019-20	2018-19
<b>Expenditure in Foreign Exchange</b>		
Details of consumption of imported and indigenous material	Nil	Nil
Foreign Travels	Nil	Nil
Machinery Repairs & Servicing Charges	Nil	Nil
Interest on FCNR Loan	Nil	Nil
Loss due to Exchange rate fluctuation	Nil	Nil
Bad debts	Nil	Nil
<b>Total</b>	<b>Nil</b>	<b>Nil</b>
<b>Earnings in foreign Exchange</b>		
Exports Sales (F. O. B.)	Nil	Nil
Gain on Exchange rate fluctuation	Nil	Nil
<b>Total</b>	<b>Nil</b>	<b>Nil</b>

D. All the efforts to tap the export market are being taken by the management.

## ANNEXURE "D"

**Particulars of Employees  
PART A**

**Details Pertaining to Remuneration as Required under Section 197(12) of The Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016**

- a. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:**

<b>Name of Directors/KMP</b>	<b>Remuneration for Financial Year (Rs. Lakh)</b>	<b>% increase in remuneration in the financial Year</b>	<b>Ratio to remuneration to median of Directors/KMP*</b>
Mr. Amrut S. Gada	NIL	NIL	NIL
Mr. Mitesh K. Gada	NIL	NIL	NIL
<b>Non- executive Directors</b>	<b>Ratio to median remuneration</b>	NIL	NIL
Mr. Praful B. Nisar	NIL	NIL	NIL
<b>Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary</b>	NIL	NIL	NIL
Mr. Ashwin Shetty V.P – Operations & Company Secretary	36,00,0000	NIL	NIL

\* The ratio of remuneration to median remuneration is based on remuneration paid during the period April 1, 2019 to March 31, 2020.

- b. The percentage increase in the median remuneration of employees for the financial year 2019-20:**  
NIL%

- c. The number of permanent employees on the rolls of the Company as on March 31, 2020: 72**

- d. Average percentile increase already made in the salaries of employees and managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

The average annual increase was around NIL %, after accounting for promotions and other event based compensation revisions.

There was no increase in the managerial remuneration in the year 2019-20.

- e. No variable component of remuneration was paid to the directors.**

- f. Affirmation that the remuneration is as per the remuneration policy of the Company:**

Pursuant to Rule 5(1)(xii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, it is affirmed that the remuneration paid to the Directors, Key Managerial Personnel and Senior Management is as per the Remuneration Policy of your Company.

**PART B**

There were no employees in receipt of remuneration more than the limits prescribed under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rule, 2014.

## ANNEXURE "E"

## FORM AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES OR ASSOCIATE COMPANIES OR JOINT VENTURES.**

Part "A" Subsidiaries

Not Applicable

PART "B" ASSOCIATES AND JOINT VENTURES

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

<b>Name of Associates <del>or Joint Ventures</del></b>	Sejal Firebaan Glass Private Limited (CIN NO. U26100MH2010PTC206019)
<b>1. Latest audited Balance Sheet Date</b>	31.07.2020
<b>2. Date on which the Associate or Joint Venture was associated or acquired</b>	28.07.2010
<b>3. Shares of Associate <del>or Joint Ventures</del> held by the company on the year end</b>	
No.	5,00,000
Amount of Investment in Associates or Joint Venture	Rs. 50,00,000
Extent of Holding (in percentage)	48.78%
<b>4. Description of how there is significant influence</b>	Associate
<b>5. Reason why the associate/joint venture is not consolidated</b>	Consolidated
<b>6. Networth attributable to shareholding as per latest audited Balance Sheet</b>	Nil
<b>7. Profit or Loss for the year</b>	Nil
i. Considered in Consolidation	NA
ii. Not Considered in Consolidation	

By Order of the Board  
For Sejal Glass Limited

Place: Mumbai  
Date: November 13, 2020

Sd/-  
**Amrut S. Gada**  
Erstwhile Chairman and Managing Director

## ANNEXURE-"F"

## FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto:-

<b>1</b>	<b><i>Details of contracts or arrangements or transactions not at arm's length basis</i></b>	NOT APPLICABLE
	(a) Name(s) of the related party and nature of relationship	
	(b) Nature of contracts/arrangements/transactions	
	(c) Duration of the contracts/arrangements/transactions	
	(d) Salient terms of the contracts or arrangements or transactions including the value, if any	
	(e) Justification for entering into such contracts or arrangements or transactions	
	(f) date(s) of approval by the Board	
	(g) Amount paid as advances, if any:	
	(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188	
<b>2</b>	<b>Details of material contracts or arrangement or transactions at arm's length basis</b>	NOT APPLICABLE
	a) Name(s) of the related party and nature of relationship	
	b) Nature of contracts/arrangements/transactions	
	(c) Duration of the contracts/arrangements/transactions	
	d) Salient terms of the contracts or arrangements or transactions including the value, if any:	
	(e) Date(s) of approval by the Board, if any:	
	f) Amount paid as advances, if any:	

By Order of the Board

For Sejal Glass Limited

Sd/-

Place: Mumbai

Amrut S. Gada

Date: November 13, 2020

Erstwhile Chairman and Managing Director

# CORPORATE GOVERNANCE REPORT

At Sejal Glass Limited, Corporate Governance forms the fundamental belief of maximizing its stakeholders' value, ensuring transparency and commitment of trust at the very core of its basic character. We make continuous efforts to adopt and adhere to the best practices of Corporate Governance. Corporate Governance is an integral part of the way we do business, which is reinforced at all levels within the Company and emanates from our attempts to constantly improve sustainable value creation for our stakeholders.

## ➤ **Company Philosophy on code of Corporate Governance :**

We believe that our Corporate Strategy needs to be dynamic, vibrant and responsive to the changing economic scenario and flexible enough to absorb environmental and fiscal fluctuations. Professionalism in management, transparency and sound business ethics helps in encouraging wide spread participation from all stake holders.

## ➤ **Board of Directors**

The Company has been admitted to undergo Corporate Insolvency Resolution Process ("CIRP") in accordance with the application initiated under Section 7 of the IBC 2016 by Edelweiss Asset Reconstruction Limited (EARCL) a Financial Creditor of the Company. The Financial Creditor's petition to initiate the CIRP Process was admitted by the National Company Law Tribunal ("NCLT"), Mumbai bench, on February 13, 2019 ("Insolvency Commencement Date"). Mr. Rajendra Kumar Girdhar was appointed as the Interim Resolution Professional ("IRP") to manage the affairs of the Company. Subsequently, the Committee of Creditors ("CoC") appointed Mr. Prashant Jain as the Resolution Professional (RP) to manage the day to day affairs of the Company. On appointment of the IRP/RP, the powers of the Board of Directors of the Company were suspended.

Prior to commencement of CIRP the Board of Directors was the apex body constituted by the shareholders for overseeing the Company's overall functioning. The RP/Board provides and evaluates the Company's strategic direction, management policies and their effectiveness and ensures that the stakeholders' long term interests are being served.

## ➤ **Composition, Category and size of the Board:**

### • **Composition**

As on 31<sup>st</sup> March, 2020 Board of Directors of Sejal Glass Limited ("The Board") as on the date of this report the Board comprised of 3 (Three) Directors, which included 1 (One) Non-Executive Independent Directors and 2 (Two) Executive Promoter Directors.

Since the Powers of the Board of Directors are vested with the Resolution Professional the management of the affairs of the Company are being exercised under the overall control, supervision and guidance of the IRP/RP from the date of the order till the completion of Corporate Insolvency Resolution Process.

Matters required to be tabled to the Board of Directors were put up for the review and the decision of the RP from time to time in accordance with the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- **Meetings and Attendance**

The Company continued to remain under CIRP during the year under review. Regulation 15 sub regulation (2A) & (2B) of the SEBI LODR states that the provisions of Regulation 17, 18, 19, 20 and 21, shall not be applicable during the insolvency resolution process in respect of a listed entity which is undergoing corporate insolvency resolution process under the insolvency Code. Provided that the role and responsibilities of the board of directors as specified under the aforementioned regulations shall be fulfilled by the interim resolution professional or Resolution Professional in accordance with sections 17 and 23 of the Insolvency Code. Consequently, no meeting of the Board has been held during the financial year 2019-20.

Details regarding attendance of each Director at Board Meetings, Last Annual General Meeting (AGM) and Number of Directorships and Committees positions held by them as on 31<sup>st</sup> March, 2020 are given below:

Name and Designation of the Director	DIN No.	Attendance at Meeting held during 2019-20			No. of Directorships and Committee/Membership held in Companies		
		Board Meeting		Annual General Meeting held on 28.09.2019	1Other Directors hip	Chairmans hip of Committees	Memb ership of Commi ttees (Includ ing Chairm anship)
		Held during tenure	Attended				
Executive Directors							
Mr. Amrut S. Gada Chairman and Managing Director, Promoter Director	00163290	-	-	Yes	8	-	-
Mr. Mitesh K. Gada Executive, Promoter Director	001489534	-	-	Yes	7	-	-
Non- Executive Independent Directors							
Mr. Praful Nisar Non -Executive, Independent	00377241	-	-	Yes	3	-	-

**Notes:**

Committee positions of only three Committees namely Audit Committee, Nomination and remuneration Committee and Stakeholders' Relationship Committee in all Indian Public (listed and unlisted) Companies have been included, in terms of Regulation 26 of the Listing Regulations.

<sup>1</sup> Includes all Public Companies), incorporated under provision of the Companies Act, 2013.

Pursuant to amended SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, information of Directorship at other listed companies(as available at MCA website effective 31.03.2020) in respect of the Directors of the Company is given below:-

Sr No.	Name of Director	Name of Listed Company	Category
1	Mr. Amrut S. Gada	-	-
2	Mr. Mitesh K. Gada	-	-
3	Mr. Praful Nisar	-	-

**Other Notes:**

1. None of the Directors of the Company is related inter-se in terms of Section 2(77) of the Companies Act, 2013 read with Rule 4 of the Companies (Specification of Definitions Details) Rules, 2014.
2. None of the Director is an Independent Director in more than 7 Listed Companies. The Chairman cum Managing Director does not serve as Independent Director on any Listed Company. The number of Directorships, Committee Membership(s)/Chairmanship(s) of these Directors is within respective limits prescribed under the Act and the Listing Regulations.
3. Number of Equity Shares held by the Directors of the Company, as on 31st March, 2020 are as below:

Sr. No.	Name of Directors	No. of Equity Shares
1	Mr. Amrut S. Gada	1450750
2	Mr. Mitesh K. Gada	1045250
3	Mr. Praful Nisar	Nil

➤ **Independent Directors Meeting**

In view of the Company continuing to undergo the Corporate Insolvency Resolution Process during the year under review and the powers of the Board being vested and exercised by RP, no meeting of Independent Directors was held during the Financial Year 2019-20.

• **Code of Conduct**

The conduct of the Board Members and Senior Management Personnel is regulated by the Code of Conduct for Board Members and Senior Management Personnel, as approved and adopted by the Board of Directors of the Company. The Code as circulated to all members of the Board & Senior Management Personnel is available on the website of the Company at [www.sejalglass.co.in](http://www.sejalglass.co.in). All the Non-Independent members of the Board and Senior Management Personnel have affirmed their compliance with the Code of Conduct for the financial year ended 31<sup>st</sup> March, 2020 and a declaration to this effect, duly signed by Mr. Amrut S. Gada, Chairman & Managing Director is annexed and forms part of this report.

- **Prevention of Insider Trading Code**

The Company has adopted a Code for Prevention of Insider Trading to regulate, monitor and report trading by insiders under the SEBI (Prohibition of Insider Trading) Regulations, 2015. All the Directors, RP, employees, CoC and third parties such as auditors, consultants etc. who may have an access to the unpublished price sensitive information of the Company are governed by this code. The trading window is closed during the time of declaration of results and occurrence of any material events as per the code.

➤ **Audit Committee:**

The primary objective of the Audit Committee is to monitor and provide an effective supervision of the Management's financial reporting process, to ensure accurate and timely disclosures, with the highest levels of transparency, integrity and quality of financial reporting. The Committee oversees the work carried out in the financial reporting process by the Management, the statutory auditor and notes the processes and safeguards employed by each of them and also assesses the adequacy and reliability of the internal control systems and risk management systems. The Committee further reviews processes and controls including compliance with laws, Code of Conduct and Code of Conduct for Prevention of Insider Trading and Code for fair disclosure, Whistle Blower Policy and related cases thereto, functioning of the Prevention of Sexual Harassment at Workplace Policy and guidelines and internal controls. The Executive Director(s) and Senior Management of the Company also attend the Meetings as invitees whenever required to address concerns raised by the Committee Members.

During FY 2019-20, the Audit Committee, comprised of two Directors which included one Non-Executive Independent Directors and one Executive Director of the Company. Mr. Praful Nisar a Non - Executive Independent Director was the Chairman, and Mr. Mitesh K. Gada an Executive Director was the Member.

Mr. Ashwin S. Shetty, V. P. Operations & Company Secretary acts as Secretary of the Committee.

In view of the company continuing to remain under CIRP, no Audit Committee Meetings were held during the financial year 2019-20.

➤ **Nomination & Remuneration Committee:**

The purpose of the Nomination and Remuneration Committee ('NRC') includes formulating criteria for determining qualifications, positive attributes and independence of Directors and recommending to the Board of Directors, a policy relating to the remuneration of the Directors and Key Managerial Personnel, overseeing the Company's process for appointment of Senior Management and their remuneration, devising criteria for performance evaluation of the Board of Directors (including Independent Directors).

The NRC also discharges the Board's responsibilities relating to compensation of the Company's Executive Directors and Senior Management. In terms of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (LODR) Regulations, 2015, the Board has a "Nomination and Remuneration Committee".

The Company continues to be under CIRP and the powers of the Board are vested and are being exercised by RP. Further, as per newly inserted sub regulations (2A) and (2B) in Regulation 15 of the SEBI, LODR, the provisions of Regulation 17, 18, 19, 20 and 21, including with regard to meetings of Board and committees are not applicable during the period of CIRP. The Executive Directors of the Company in view of the weak financial condition have stopped drawing remuneration from the Company from October 2014 onwards.

Therefore, no Board/Committee Meeting was held during the year under review and consequently no sitting fees paid.

➤ **Stakeholders' Relationship Committee**

The Stakeholders Relationship Committee ('SRC') oversees the mechanism of redressal of grievances of our shareholders.

In view of the ongoing CIR Process, the powers of the Board of Directors have been suspended and hence there was no stakeholders Relationship Committee meeting held during the year. In terms of Regulation 6 and Schedule V of Listing Regulation, Mr. Ashwin S. Shetty, V. P. Operations & Company Secretary who is also the Compliance Officer of the Company co-ordinated with the Registrar & Transfer agent to address the investors queries. The designated e-mail for investor service and correspondence is [compliance@sejalglass.co.in](mailto:compliance@sejalglass.co.in).

➤ **General Body Meetings:**

The details of last three Annual General Meetings (AGM's) held are as follows:

Financial Year	No. of AGM	Date and Time of AGM	Venue	No. of special resolutions passed
2016-2017	19	28/09/2017 at 10.00 A. M	173/174, Third Floor, Sejal Encasa, S. V. Road, Kandivali (West), Mumbai - 400 067	Nil
2017-2018	20	29/09/2018 at 10.00 A. M	173/174, Sejal Encasa, S. V. Road, Kandivali (West), Mumbai - 400 067	Nil
2018-2019	21	28/09/2019 at 10.00 A. M	173/174, Sejal Encasa, S. V. Road, Kandivali (West), Mumbai - 400 067	Nil

➤ **Postal Ballot**

During the year under report, no resolution was passed through Postal Ballot. None of the business proposed to be transacted at the ensuing Annual General Meeting require passing of resolution through Postal Ballot.

➤ **Other Disclosures**

**1. Materially Related party Transactions:**

There have been no materially significant related party transactions, except for those disclosed in the Report to the Shareholders. All related party transactions during the year under report were in the ordinary course of business and at arms' length. Details of transactions with related parties are disclosed in the Notes to the Financial Statements. The Company has formulated a Policy on Materiality Party Transactions, in accordance with relevant provisions of Companies Act, 2013 and Listing Regulations. The Company's Policy on dealing with related party transactions is available on the Company's website at <http://www.Sejalglass.co.in>

**2. Compliance:**

There were instances of non-compliance by the Company, and hence penalties or strictures were imposed on the Company by Stock Exchanges as per SOP prescribed under LODR, 2015 in respect matter relating delay in submitting various reports, certificates etc. as required to

be submitted to stock exchange under Regulation of SEBI (Listing Obligation and Disclosure Requirements ) Regulation, 2015.

### **3. Disclosure of Accounting Treatment:**

Accounting policies followed in preparation of financial statements are given in the notes to the Financial Statements. No treatment different from Indian Accounting Standards, as prescribed by the Institute of Chartered Accountants of India has been followed in preparation of Financial Statement.

### **4. CEO/CMD Certification:**

The Erstwhile Chairman cum Managing Director of the Company has signed the certificate confirming that the financial statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company affairs. The Resolution Professional has relied on the assistance provided by the management in relation to this certification and the Resolution Professional has thereafter taken the same on record. The said certificate also forms part of this Report.

### **5. Whistle Blower:**

The Company has adopted a Whistle Blower policy and put in place a mechanism for the directors and employees to report concerns about unethical behavior directly to the Compliance officer, and in exceptional cases to the Chairman of the Audit Committee. Details of establishment of the mechanism are available on the Company's website and can be accessed at [www.sejalglass.co.in](http://www.sejalglass.co.in).

#### **➤ Means of Communication**

The Company's quarterly, half yearly and yearly financial results are submitted to the Stock Exchanges where the securities of the Company are listed pursuant to the requirements of Listing Regulations and also displayed on the Company's website i.e. [www.sejalglass.co.in](http://www.sejalglass.co.in).

#### **➤ GENERAL SHAREHOLDER INFORMATION:-**

##### **A) 22<sup>nd</sup> Annual General Meeting for the Financial Year 2019-20**

Day : Wednesday

Date : December 30, 2020

Time: 11.00 A.M.

Venue: 173/174, Sejal Encasa, S.V. Road, Kandivali (West), Mumbai - 400 067.

##### **B) Financial Calendar: 2020 -21**

**C) Financial Year:** April 01 to March 31

Details of announcement of Quarterly Financial Results during the year 2020-21 are as under:

Results	Announced On
1st Quarter ended 30-06-2020	September 14, 2020
2nd Quarter ended 30-09-2020	November 13, 2020
3rd Quarter ended 31-12-2020	First/ Second week of February 2021
Annual Results	Third/fourth week of May 2021
Annual General Meeting	September 2021

**D) Date of Book Closure:** Saturday, December 26, 2020 to Tuesday, December 29, 2020 (both days inclusive).**E) Listing on Stock Exchanges and Stock Code:****Equity Shares:**

Stock Exchanges and their address	Stock Code	ISIN
<b>BSE Ltd.(BSE)</b> 25th Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400 001	532993	INE955I01036
<b>National Stock Exchange of India Ltd.(NSE)</b> “Exchange Plaza”, C-1, Block G, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051	SEZAL	

➤ **Annual Fee**

Payment of Listing Fee: In view of the acute financial crunch faced, the company has not been able to pay the listing fees to BSE Ltd for the year 18-19 and 19-20 and National Stock Exchange of India Ltd for past few years i.e. 2013 - 14, 2014 - 15, 2015 - 16, 2016 - 17, 2017 - 18 and 2018 - 19 & 2019 - 20.

➤ **Stock Market Price Data:-**

The High and low of the Share Price of the Company during each month of the Financial Year 2019-20 at NSE and BSE were as under:

(Amount in Rs. per Share)

	National Stock Exchange (NSE)		Bombay Stock Exchange (BSE)	
Month	Month's High Price	Month's Low Price	Month's High Price	Month's Low Price
April 2019	4.45	3.10	0.00	0.00
May 2019	3.10	2.70	0.00	0.00
June 2019	4.00	2.90	0.00	0.00
July 2019	3.75	2.95	0.00	0.00
August 2019	3.15	2.65	0.00	0.00
September 2019	2.80	2.40	0.00	0.00
October 2019	2.40	1.85	0.00	0.00
November 2019	2.20	1.75	5.25	4.75
December 2019	1.75	1.65	4.78	4.42
January 2020	0.00	0.00	4.60	4.60
February 2020	0.00	0.00	4.37	3.96
March 2020	0.00	0.00	0.00	0.00

**[Source: This information is compiled from the data available from the websites of NSE and BSE]**

#### ➤ **Share Transfer System**

The Board has delegated the authority for approving transfer, transmission, splitting, consolidation, dematerialization, rematerialisation etc. of the Company's securities to the Stakeholders' Relationship Committee of the Board. The Meetings of the Committee are periodically held to consider the requests of the shareholders. A summary of transfer/transmission/ demat/remat of securities of the Company so approved by the Stakeholders' Relationship Committee is placed at the subsequent Board Meeting. The Committee has delegated some powers to the Registrar & Transfer Agent of the Company.

➤ **DISTRIBUTION OF SHARES AS ON MARCH 31, 2020****SIZE OF HOLDING OF SHAREHOLDER'S**

<b>Holding</b>	<b>Shareholders</b>		<b>Shares</b>	
	<b>Number</b>	<b>% of Total Shareholders</b>	<b>Number</b>	<b>% of Issued Capital</b>
1 -- 500	8108	81.69	949211	2.83
501 - 1000	640	6.45	535978	1.60
1001 -- 2000	370	3.73	576160	1.72
2001 -- 3000	156	1.57	404369	1.20
3001 - 4000	83	0.84	295653	0.88
4001 -- 5000	107	1.08	503387	1.50
5001 - 10000	182	1.83	1453245	4.33
10001 and Above	279	2.81	28831997	85.94
<b>Total</b>	<b>9925</b>	<b>100.00</b>	<b>33550000</b>	<b>100.00</b>

**CATEGORIES OF SHAREHOLDINGS AS ON MARCH 31, 2020**

<b>Category</b>	<b>Number of shares Held</b>	<b>(%) of Issued Capital</b>
Corporate Bodies (Promoter Co)	5721283	17.05%
Clearing Members	87614	0.26%
Other Bodies Corporate	2121871	6.32%
Hindu Undivided Family	1403316	4.18%
Non Resident Indians	41972	0.13%
Non Resident (Non Repatriable)	14443	0.04%
Persons Acting In Concert	1225500	3.65%
Public	12870064	38.36%

Promoters	5408500	16.12%
Relatives Of Director	4593500	13.69%
Trusts	5000	0.01%
NBFCs registered with RBI	56937	0.17%
<b>Total</b>	<b>33550000</b>	<b>100%</b>

➤ **Dematerialisation of Shares and Liquidity**

The Company's shares are compulsorily traded in dematerialized form and are admitted in both the Depositories in India- National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The Company's shares are liquid and are actively traded on the Stock Exchanges. Number of shares held in dematerialized and physical mode as on 31st March, 2020, 99.06% of the Equity Shares have been dematerialized.

➤ **Project/Plant Location**

Plot No 259/10/1, Village Dadra, Union Territory of Dadra Nagar and Haveli, District, Silvassa – 396 191. Tel: 0261-2669981, Fax: 0261-2669981.

➤ **Address for Correspondence Company's address:**

**Company's address:**

**Registered Office:** 3rd Floor, 173/174, Sejal Encasa, Opp. Bata Showroom, S. V. Road, Kandivali (West), Mumbai – 400 067,

Tel : 022-28665100,

Fax No. : 022-28665102,

Website : [www.sejalglass.co.in](http://www.sejalglass.co.in),

Email : investor.relations.co.in, [compliance@sejalglass.co.in](mailto:compliance@sejalglass.co.in).

➤ **Registrar & Transfer Agent (RTA)**

Link Intime India Private Limited,

Address : C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083,

Tel : 22- 49186000,

Fax : +91- 22- 49186060,

Website : [www.linkintime.co.in](http://www.linkintime.co.in),

Email : nayna.wakle@linkintime.co.in

## DECLARATION

I hereby confirm that;

The Company has obtained from all the members of the Board and Senior Management affirmation that they have complied with the Code of Business Conduct and Ethics for Directors and Senior Management in respect of the period ended 31<sup>st</sup> March 2020.

Sd/-

Amrut S. Gada

Erstwhile Chairman & Managing Director

Date : November 13, 2020

**Certification by the Erstwhile Chairman cum Managing Director (CMD) under Clause 17 (8) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015**

I hereby certify that:

- a) I have reviewed the financial statements and the Cash flow statement as signed by me and taken on record by RP for the year ended 31<sup>st</sup> March, 2020 and based on my knowledge and belief:
  - i. these statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading;
  - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with the existing Accounting Standards, applicable Laws and Regulations.
- b) I further state that to the best of my knowledge and belief, there are no transactions entered into by the Company during the year which are fraudulent, illegal or violative of Company's Code of Conduct.
- c) I am responsible for establishing and maintaining internal controls for financial reporting and I have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and I have not come across any reportable deficiencies in the design or operation of such internal controls.
- d) I have indicated to the Auditors/RP that there had not been:
  - i. significant changes, if any, in the internal control over financial reporting during the year;
  - ii. significant changes, if any, in the accounting policies made during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii. instances of significant fraud of which I have become aware and involvement therein, if any, of the management or an Employee having a significant role in the Company's internal control system over financial reporting.

**For Sejal Glass Limited**

Sd/-

Amrut S. Gada

Erstwhile Chairman & Managing Director

Date : November 13, 2020

## CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of

**SEJAL GLASS LIMITED,**

173/174, Sejal Encasa,

3rd Floor, S.V. Road,

Kandivali (West),

Mumbai - 400 007.

I have examined the compliance of conditions of Corporate Governance by **SEJAL GLASS LIMITED** ("the Company"), for the year ended on March 31, 2020, as per Regulation 15(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") for the period 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2020.

The compliance of conditions of Corporate Governance is the responsibility of the management. My examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on financial statements of the Company.

In my opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors, Officers and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned clause of the Listing Regulations.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Tariq Badgujar & Co

Sd/-

Mohammed Tariq Budgujar

(Proprietor)

ACS No. 47471

CP No. 17462

Place : Mumbai.

Dated : November 13, 2020

## Independent Auditor's Report

To the Members of SEJAL GLASS LIMITED

Report on the Audit of Standalone Ind AS Financial Statements

**Corporate Insolvency Proceedings as per Insolvency and Bankruptcy Code, 2016 ("the Code")**

The Hon'ble National Company Law Tribunal, Mumbai ("NCLT") by order dated **13<sup>th</sup> February, 2019** admitted the **Corporate Insolvency Resolution Process ("CIRP")** application filed against Sejal Glass Limited on petition filed by Edelweiss Asset Reconstruction Company Limited ("EARC") a financial creditor and appointed Shri Rajendra Kumar Girdhar Registration Number [IBBI/IPA-003/IP-N00048/2017-18/10396] as Interim Resolution Professional to carry out functions as mentioned under Insolvency & Bankruptcy Code, 2016.

The appointment was made pursuant to the Petition filed u/s 7 of Insolvency & Bankruptcy Code, 2016 (**I&B Code**) by Edelweiss Asset Reconstruction Co. Limited, Financial Creditor or Petitioner against Sejal Glass Ltd. , Corporate Debtor to initiate **CIRP** against the Corporate Debtor on the ground that as on 10.05.2018, the Corporate Debtor has defaulted in repaying the debt amount i.e. Rs 40,49,72,485/-. The date of default in repayment of the debt by the Corporate Debtor as stated by the petitioner is 13.10.2016.

The Petitioner, as Trustee of the Edelweiss Asset Reconstruction Company Trust SC-42, entered into an assignment agreement with State Bank of Patiala on 26.06.2014, wherein it got assigned the impugned loans disbursed by the assignor to the Corporate Debtor. The said assignment agreement is annexed with the petition.

In response to application number MA 1324/2019 filed by the Committee of Creditors, NCLT, Mumbai vide its order dated 23<sup>rd</sup> April, 2019 has accepted the proposal to appoint Mr Prashant Jain as Resolution Professional.

In view of the ongoing CIRP and suspension of powers of Board of Directors on 13<sup>th</sup> February, 2019 and as explained to us, the powers adoption of this standalone financial results vests with the RP under provisions of IBC 2016.

As per Section 134 of the Companies Act, 2013, the financial statements of a Company are required to be authenticated by the Chairperson of the Board of Directors, where authorized by the Board or at least two directors, of which one shall be the managing director or CEO (being a Director), the CFO and the Company Secretary where they are appointed. Under IBC 2016, such powers shall vest the Resolution Professional Mr Prashant Jain.

The Resolution Professional invited Expression of Interest from the prospective bidders for submission of Resolution Plans for revival of the Company. In terms of provisions of the Insolvency and Bankruptcy Code, 2016 (IBC) the resolution plan submitted by Prospective Resolution Applicant has been approved by the Committee of Creditors (COC) of the company in its COC meeting dated November 06, 2019 and identified as a successful resolution applicant.

The Hon'ble NCLT, Mumbai bench, has in the hearing held on July 02, 2020 after hearing the parties concerned have now reserved it for orders and the order is awaited.

### **Qualified Opinion**

We have audited the accompanying standalone Ind AS financial statements of **SEJAL GLASS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March 2020, and the statement of Profit and Loss (including Other Comprehensive Income), Statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information

In our opinion and to the best of our information and according to the explanations given to us, *except for the matters mentioned in Para Basis for Qualified Opinion* the

aforesaid standalone financial statements give the information required by the Companies Act, 2013 “the Act” in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended “Ind AS” and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and loss including total comprehensive income, changes in equity and its cash flows for the year ended on that date.

### **Basis for Qualified Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**1. The Financial Results/Statements have been prepared in accordance with the Basic Fundamental Accounting Assumption of going concern. The National Company Law on 13<sup>th</sup> February, 2019 admitted petition u/s 7 of the Insolvency & Bankruptcy Code, 2016 filed by Financial Creditor/Petitioner against Sejal Glass Limited. In case outcome of the Resolution Process is not favorable and the Company goes into Liquidation impact on the Financials cannot be ascertained.**

**The Resolution Professional invited Expression of Interest from the prospective bidders for submission of Resolution Plans for revival of the Company. In terms of provisions of the Insolvency and Bankruptcy Code, 2016 (IBC) the resolution plan**

submitted by Prospective Resolution Applicant has been approved by the Committee of Creditors (COC) of the company in its COC meeting and identified as a successful resolution applicant.

The Hon'ble NCLT, Mumbai bench, has in the hearing held on July 02, 2020 after hearing the parties concerned have now reserved it for orders and the order is awaited.

2. The Resolution Professional Mr. Prashant Jain has completed the process of receiving, collating, and verifying such claims and based on the final list dated 17.07.2019 we report that the Reserves and Surplus (Other Equity) are Overstated & Liabilities of the Company are under stated as tabulated below as impact of the admitted liabilities has not been considered in preparation of the accompanying Audited Standalone Financial Statements. Hence the Liabilities are understated to the extent and retained earnings are overstated to the extent of Rs 55.94 crores as given below.

As on 17.07.2019-Kindly refer note below

Particulars	Admissible /Admitted Amount (Rs.)	Liability as per Books of Accounts (Rs.)	Shortfall (Liabilities understated/ Reserves overstated) (Rs.)
Financial Creditors	1,13,75,39,434	77,36,13,356	36,39,26,078
Operational Creditors	7,26,24,309	6,17,69,849	1,08,54,460
Statutory Dues	25,50,26,780	7,03,79,555	18,46,47,225
Employee Dues	81,55,978	81,55,978	Nil

Deposit Holders Form CA (Refer Note Below)	2,02,22,000	*2,02,22,000	Nil
Total	1,49,35,68,501	93,41,40,738	55,94,27,763

**Note:**

During 01.04.2019 to 31.03.2020, the Company has, pending approval of the Resolution plan has provided for Interest on Financial Creditors (except Interest on ICD Taken) and Public Deposit during the quarter end and hence Short fall not being material has not been separately computed.

\*In the aforesaid table, in respect of Admissible Admitted Amount and Liabilities as per Books, liability only respect of Forms Received has been stated as per Liability as per Books Column. This has been done to give a fair presentation. Total Amount payable on account of Principal and Interest payment to Public Fixed Deposit Holders as on 31st March, 2020 as per Books of Accounts is Rs. 18.68 crores.

3. Non Compliance of IND AS 19-Employee Benefits provision for retirement benefits relating to actuarial valuation of Gratuity and Leave Encashment.

4. Balances in ledgers of Sundry Receivables (Debtors), Sundry Payables (Creditors), Loans/Advances/Inter Corporate Deposits (other than Group Companies)/Security Deposits accepted and made/given are subject to confirmation and reconciliation.

5. Interest Expense payable on statutory dues has not been provided for in the Financial Statements from 01.04.2017 to 31.03.2020, amount of which cannot be ascertained.

6. The Company has not provided for Interest Payable to Edelweiss for the FY 2017-18 and FY 2018-19. Edelweiss Asset Reconstruction Company Ltd (EARC) has lodged claim for Rs 44.63 crores which is the same as admissible amount as per Annexure "A" List of Creditors -claims as on 13<sup>th</sup> February, 2019 received upto 7<sup>th</sup> March, 2019. Amount payable to EARC as on 31<sup>st</sup> March, 2020 as per Books of Accounts is Rs 29.96 crores (Excluding CIRP Period Assistance).

The difference of Rs 14.67 crores represents the amount of Interest not provided by the Company and Interest provided by the Company at a lower rate of Interest and Concessions & Waiver withdrawn by EARC due to default in fulfilling the terms and conditions of the restructuring proposal.

The Resolution Professional has admitted this claim of Rs 44.63 crores on 17<sup>th</sup> July, 2019 and the difference of Rs 14.67 cores already included in the CIRP Claim short provision amount of Rs 55.94 crores referred in point number 2 above.

## Emphasis of Matter

1. Corporate Insolvency Resolution Process ("CIRP") has been initiated in case of the Company vide order dated 13<sup>th</sup> February of Honorable National Company Law Tribunal, Mumbai under provisions of the Insolvency and Bankruptcy Code, 2016. "The Code". Pursuant to the order, the management of the affairs of the Company and powers of the Board of Directors of the Company are now vested with the RP, who is appointed by Committee of Creditors (COC). These standalone financial statements have been prepared by the management of the Company and considered by RP.
2. Bank of Maharashtra has served a show cause notice for declaring the Company as willful defaulter which the Company has objected to. We are informed by the Company that they appeared for a personal hearing on 10.07.2019 and subsequently also has in a written representation in this regard on 13.07.2020 disputed the action by the Bank and the matter is under consideration.
3. The Company needs to take steps for recovery of amounts due to it including Amounts due from Group Companies and Inter Corporate Deposits given/made.
4. The Company has not been charging Interest to Group Companies citing poor health of those Companies.
5. The Company has not deposited statutory liabilities with Concerned Government authorities and failed to comply by filing necessary returns under various Acts before commencement of CIRP during FY 2018-19. It has also not provided for interest/penalty for such default.
6. Pre CIRP period Statutory Liabilities like Staff Provident Fund, Income Tax (TDS), Service Tax, Central Sales Tax, Dadra VAT, Maharashtra VAT, Gujarat VAT, Goods and Service Tax (GST), ESIC, Property Tax, Duty

Liability under Advance License and Export Promotion Capital Goods Scheme (EPCG) for not meeting export obligations etc are in arrears along with Interest and Penalty (if any) thereon. Unpaid Statutory Dues as per Books of accounts as on 31.03.2020 are Rs 39.04 crores.

7. The Company has not paid Property Tax of Dadra Factory and Mumbai Encasa Office Building for earlier years. The Company has not paid Property Tax for CIRP Period also.

8. GST Payment and GST Return of Dadra Factory has been made upto the month of June 2018 for FY 2018-19 (Pre CIRP). Income Tax (TDS) and other taxes are in arrears for the last few years.

9. Balances in Inoperative Bank Accounts which are attached by various revenue authorities were not verified.

10. Unpaid Dividend of Rs 96,523 is outstanding in the Books of Accounts. It needs to be paid into Investor Education and Protection Fund as unpaid for more than 7 years.

11. Rs. 1,00,063 is lying in SBP DIVIDEND BANK A/C 65042962182 which has been seized by the revenue authorities

## **Information Other than the Standalone Ind AS Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon. **As the powers of the Board of Directors stand suspended, the financials and other information have been prepared by the Company under supervision of the Resolution Professional.**

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

## **Responsibility of Management for the Standalone Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, (changes in equity) 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the company's financial reporting process.

In view of the ongoing CIRP and suspension of powers of Board of Directors on 13<sup>th</sup> February, 2019 and as explained to us, the powers adoption of this standalone financial results vests with the RP under provisions of IBC 2016.

**As per Section 134 of the Companies Act, 2013, the financial statements of a Company are required to be authenticated by the Chairperson of the Board of Directors, where authorized by the Board or at least two directors, of which one shall be the Managing Director or CEO (being a Director), the CFO and the Company Secretary where they are appointed. Under Insolvency & Bankruptcy Code (IBC) 2016, such powers shall vest with the Resolution Professional (RP) Mr Prashant Jain.**

**Financials prepared by the Company have been signed by the Resolution Professional Mr Prashant Jain under power vested in him under IBC,2016 along with the Amrut Gada and Mitesh Gada, both members the suspended Board of Directors and Mr Ashwin Shetty, Company Secretary and Vice President (Operations).**

### **Auditor's Responsibility for the Audit of the Standalone Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as going concern.

Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "**Annexure B**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

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 except for matters mentioned under Basis of Opinion para.

a. 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.

b. 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.

c. In our opinion, the aforesaid standalone financial statements comply with the IND AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 EXCEPT as otherwise in the Basis of Opinion Para of this report with regard to preparation of Financials in accordance with the Going Concern Principle, Short Provision of amount to the extent of Rs 55.94 crores pertaining to claims under CIRP, Non Compliance of Ind AS-19 -Employee Benefits provision for retirement benefits relating to actuarial valuation of Gratuity and Leave Encashment, Balances in ledgers of Sundry Receivables (Debtors), Sundry Payables (Creditors), Loans/Advances/Inter Corporate Deposits (other than Group Companies)/Security Deposits accepted and made/given are subject to confirmation and reconciliation and uncertainty with respect to liabilities that may arise due amounts claimed by Creditors both Operational and Financial, Workmen and Employees and Non Provision of Interest on Statutory dues.

d. All the Directors of the Company are disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

e With respect to other matters to be included in the auditor's report in accordance with the requirement of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the Company has not paid remuneration to its Directors and hence provisions of section 197 of the Act are not applicable.

f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “**Annexure A**”.

g. 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:

**1 The Company is currently under Corporate Insolvency Resolution Process (CIRP) under Insolvency and Bankruptcy Code, 2016. Impact of the CIRP Process on financials of the Company cannot be ascertained now. Refer to Contingent Liabilities disclosed in Note 28.2 to the Financial Statements.**

The Resolution Professional invited Expression of Interest from the prospective bidders for submission of Resolution Plans for revival of the Company. In terms of provisions of the Insolvency and Bankruptcy Code, 2016 (IBC) the resolution plan submitted by Prospective Resolution Applicant has been approved by the Committee of Creditors (COC) of the company in its COC meeting and identified as a successful resolution applicant.

The Hon’ble NCLT, Mumbai bench, has in the hearing held on July 02, 2020 after hearing the parties concerned have now reserved it for orders and the order is awaited.

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

**3. The Company has failed to transfer amount of unpaid dividend to the Investor Education and Protection Fund.**

For KSPM & Associates  
Chartered Accountants  
Firm Regn.No104723W

Sd/-

CA Sanjay Shah

Partner

M. No. 116251

Place: Mumbai

UDIN: 20116251AAAACH3231

Date: 31<sup>st</sup> July, 2020

**ANNEXTURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT OF  
EVEN DATE ON THE STANDALONE IND AS FINANCIAL STATEMENTS  
OF SEJAL GLASS 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  
**SEJAL GLASS LIMITED** ('the Company') as of 31 March 2020.

**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 the 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 were 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 auditors' 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 the 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 31<sup>st</sup> March 2020, 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 KSPM & Associates**  
**Chartered Accountants**  
**Firm Regn.No104723W**

**Sd/-**

**CA Sanjay Shah**  
**Partner**  
**M. No. 116251**

**Place: Mumbai**  
**UDIN: 20116251AAAACH3231**  
**Date: 31<sup>st</sup> July, 2020**

## ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

**Reports on Companies (Auditor's Report) Order, 2016('the Order') issued by the Central Government in terms of Section 143(11) of the Companies Act, 2013 ('the Act') of Sejal Glass Limited for the year ended 31<sup>st</sup> March, 2020:**

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets. The fixed assets register needs to be updated to reconcile with the general ledger.
- (b) As explained to us, the assets have been physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
2. As explained to us, the Inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material.
3. (a) The Company has granted unsecured loans to companies, firms and other parties covered in the register maintained under section 189 of the Companies Act, 2013. Interest has not been charged on these loans.

- (b) In the absence of specific stipulation as to the terms of repayment, the loans are repayable on demand. Accordingly, paragraph 3(b) of the Order is not applicable to the Company for repayment of the principal amount. However in view the current financial health of Company steps need to be taken to recover amounts due to the Company from Group and Non Group Companies.
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
5. In our opinion and according to the information and explanations given to us, the Company has not complied with the provisions of section 73 to 76 of the Companies Act, 2013 with regard to the Deposits accepted from public. According to the information and explanations given to us, no order has been passed by the National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal, on the Company **except for Order passed by Company Law Board on 29.02.2016 in respect of reschedulement of repayment of Principle & Interest to the Fixed Deposit holders. We are informed by the Management that as repayment could not be made as per the prescribed repayment schedule which required to clear dues Principle and Interest due to the Public Fixed Deposit Holder by 31<sup>st</sup> March 2017.**
6. **The Company has continuously defaulted in payment of interest to Public Fixed Deposit Holders**
- The Balance in Fixed Deposit account is not reconciled.
  - The Company has also failed to repay matured fixed deposits

amounting to Rs. 7,02,28,167/-

- The requirement of keeping not less than 20% of the amount of deposits maturing during the financial year as well as in the following year in a scheduled bank in a separate bank account titled "Deposit Repayment Reserve Account" has not been complied with.
- The Company has not filed the return of Deposits for the past eight years including the year under audit.

7. We have broadly reviewed the books of accounts and records maintained by the company pursuant to the rules prescribed under section 148(1) of the Act for maintenance of cost records in respect of manufacture of products and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however made a detailed examination of the records with a view to determine whether they are accurate or complete.
8. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has generally defaulted in timely payment of Pre CIRP Period undisputed statutory dues including provident fund, Employees' State insurance, income-tax - TDS, sales tax, value added tax, Excise Duty, duty of customs, service tax, Cess and other material statutory dues as applicable to it. There have been delays in payment of following statutory liabilities. The Company has paid CIRP Period Statutory dues except Property Tax. The outstanding balance in these accounts as at 31<sup>st</sup> March, 2020 is as follows.

<b>Nature of Statutory Dues</b>	<b>Amount in Rupees</b>
Provident Fund	30,42,079
Income Tax i.e. Tax Deducted at source (TDS)	4,26,66,736
Central Sales Tax	4,20,98,034
Maharashtra Value Added Tax (MVAT)	72,40,144
Dadra Value Added Tax (DVAT)	3,40,055
Gujarat Value Added Tax (GVAT)	6,96,996
Service Tax	35,92,786
ESIC	4,29,542
Profession Tax	2,43,125
Excise Duty	1,29,76,523
Property Tax	1,68,59,919
Advance License-Duty Saved & Interest Payable	1,79,94,214
EPCG- Duty Saved & Interest Payable	2,37,60,0670
EPCG-Terminal Excise Duty	33,12,774
GST Payable	13,24,484
<b>Total</b>	<b>39,04,18,080</b>

In our opinion and according to the information and explanations given to us, following undisputed amounts payable in respect of income tax, Sales tax, Value Added Tax, duty of customs, Service Tax, Excise Duty, and Cess were in arrears as at 31 March 2020 for a period of more than six months from the date they became payable:

Nature of Statutory Dues	Amount in Rupees
Provident Fund	29,91,341
Income Tax i.e. Tax Deducted at source (TDS)	4,21,62,098
Central Sales Tax	4,20,98,034
Maharashtra Value Added Tax (MVAT)	72,40,144
Dadra Value Added Tax (DVAT)	3,40,055
Gujarat Value Added Tax (GVAT)	6,96,996
Service Tax	35,92,786
ESIC	3,78,577
Profession Tax	2,24,350
Excise Duty	1,29,76,523
Property Tax	1,68,59,919
Advance License-Duty Saved & Interest Payable	1,79,94,214
EPCG- Duty Saved & Interest Payable	2,37,60,0670
EPCG-Terminal Excise Duty	33,12,774
GST Payable	25,44,638

- (b) According to the information and explanations given to us, following are dues outstanding of Income Tax, Sales Tax, Custom Duty, Excise Duty or cess applicable to it, which have not been deposited on account of dispute.

Name of Statute	Nature of dues	Amount (Rs.)	Period to which it relates	Forum where dispute is pending
Income Tax Act	Penalty	49,00,913/-	A.Y.2007-08	Order has been passed in Favour of the Company by ITAT on 02.05.2017 by which the penalty has been waived.  Matter is now in appeal in the High Court
Income Tax Act	Tax & Interest	36,86,271/-	A.Y.2007-08	Order has been passed in Favour of the Company by ITAT on 29.08.2017 via order no. 2032/Mum//2011  Matter is now in appeal in the High Court
Income Tax Act	Tax & Interest	14,66,180/-	A.Y.2007-08	Appeal has been filed to CIT (A) on 10 <sup>th</sup> January,2019
Income Tax Act	Penalty	12,00,000/-	A.Y.2007-08	Appeal has been filed to CIT (A) on 29 <sup>th</sup> August,2018
Income Tax Act	Tax & Interest	71,56,769/-	A.Y.2007-08	Order has been passed in Favour of the Company by ITAT on 06.09.2017 .order no. ITA5473/Mum/2016  Matter is now in appeal in the High Court
Income Tax Act	Penalty	40,87,154/-	A.Y.2008-09	Order has been passed in Favour of the Company by ITAT on 06.12.2017

				.ITA no.7040 MUM/2014  Matter is now in appeal in the High Court
Income Tax Act	Income Tax	59,36,154/-	A.Y.2008- 09	Order has been passed in Favour of the Company by ITAT on 29.08.2017. No. 8422/Mum/2011  Matter is now in appeal in the High Court
Income Tax Act	Income Tax	16,92,010/-	A.Y.2008- 09	Appeal has been filed to CIT (A) on 10 <sup>th</sup> January,2019
Income Tax Act	Penalty	6,95,50,000	A.Y.2013- 14	Appeal has been filed to CIT (A) on 16 <sup>th</sup> April,2019
Income Tax Act	Income Tax & Interest	1,51,46,680/-	A.Y.2014- 15	Appeal has been filed to CIT (A) on 13 <sup>th</sup> January,2017
Income Tax Act	Income Tax & Interest	51,58,250/-	A.Y.2015- 16	Appeal has been filed to CIT (A) on 12 <sup>th</sup> January,2018
Income Tax Act	Tax & Interest	25,55,543/-	A.Y.2016- 17	Appeal Filed to CIT (A) on 12.07.2019
Income Tax Act	Penalty	45,53,898/-	A.Y.2011- 12	Appeal filing was in progress upto the date of audit
Income Tax Act	Tax & Interest	71,87,22,679	A.Y.2012- 13	Appeal Filed to CIT (A) on 02.01.2020
Income Tax Act	Penalty	80,6,61,370	A.Y.2016- 17	Appeal Filed to CIT (A) on 27.07.2019
Income Tax Act	Tax & Interest	25,89,790/-	A.Y.2017- 18	Appeal Filed to CIT (A) on 04.01.2020
Central Excise	Penalty	45,00,000/-		CESTAT
Service Tax	Tax, Interest	28,82,970/-	F.Y.2007-08 & 2007-09	Commissioner Central Excise

	& Penalty			(Appeals)
Service Tax	Tax, Interest & Penalty	99,82,702/-	F.Y.2007-08 & 2007-09	Commissioner Central Excise (Appeals)
CST Act	Tax & Interest	1,12,789/-	F.Y.2009-10	Dy Comm of Sales Tax Appeals
CST Act	Penalty	6,57,768/-	F.Y.2006-07	Dy Comm of Sales Tax Appeals
CST Act	Tax & Interest	36,61,595/-	F.Y.2008-09	Dy Comm of Sales Tax Appeals
CST Act	Penalty	4,41,898/-	F.Y.2008-09	Dy Comm of Sales Tax Appeals
CST Act	Tax, Interest & Penalty	2,40,082/-	F.Y.2010-11	Dy Comm of Sales Tax Appeals
CST Act	Tax, Interest & Penalty	1,63,30,302/-	F.Y.2010-11	Dy Comm of Sales Tax Appeals
MVAT Act	Penalty	53,212/-	F.Y.2009-10	Dy Comm of Sales Tax Appeals
MVAT Act	MVAT Tax & Interest	41,02,858/-	F.Y.2008-09	Dy Comm of Sales Tax Appeals
MVAT Act	Penalty	25,19,127/-	F.Y.2008-09	Dy Comm of Sales Tax Appeals
MVAT Act	MVAT Tax & Interest	35,34,779/-	F.Y.2008-09	Dy Comm of Sales Tax Appeals
MVAT Act	Penalty	4,70,103/-	F.Y.2008-09	Dy Comm of Sales Tax Appeals
MVAT Act	MVAT Tax & Interest	1,54,28,608/-	F.Y.2007-08	Dy Comm of Sales Tax Appeals
MVAT Act	Penalty	83,39,788/-	F.Y.2007-08	Dy Comm of Sales Tax Appeals
MVAT Act	Penalty	7,44,317/-	F.Y.2006-07	Dy Comm of Sales Tax Appeals

9. The Company has defaulted in payment of loans taken from Banks and Financial Institutions. Also, the Company's Loan accounts have been classified as Non-Performing Assets by the lending bankers. The Banks have proceeded against the Company under SARFAESI Act for recovery of its advances. **Now on petition filed by Edelweiss Asset Reconstruction Company (EARC) in NCLT and admitted on 13<sup>th</sup> February, 2019 Corporate Insolvency Resolution Process "CIRP" has started under Insolvency and Bankruptcy Code, 2016. The Company has defaulted to the tune of Rs.45.89 crores as on 31.03.2020 calculated on the basis of the Financial Statements of the Company.**
10. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year and hence this clause is not applicable other than bridge loan of Rs One crore from Edelweiss Asset Reconstruction Company Limited (EARCL) to meet CIRP Period Expenses and have been utilized for the purpose availed.
11. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
12. According to the information and explanations give to us and based on our examination of the records of the Company, the Executive Directors have not taken the Remuneration during the year and hence the Company has not provided the same Hence paragraph 3(xi) of the Order is not applicable.
13. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
14. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

15. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
16. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
17. The Company is not required to be registered under section 45-IA of Reserve Bank of India Act, 1934.

**For KSPM & Associates**  
**Chartered Accountants**  
**Firm Regn.No104723W**

**Sd/-**

**CA Sanjay Shah**  
**Partner**  
**M. No. 116251**

**Place: Mumbai**  
**UDIN: 20116251AAAACH3231**  
**Date: 31<sup>st</sup> July, 2020**

BALANCE SHEETS (STANDALONE)  
AS AT 31ST MARCH, 2020

SEJAL GLASS LIMITED			
		Standalone	Standalone
		Rs	Rs
ASSETS	Note No.	As at 31 March 2020	As at 31 March 2019
<b>Non-current assets</b>			
Property, Plant and Equipment	3A, 3B & 3C	320,637,531	345,567,270
Capital work-in-progress		29,230,195	29,230,195
<b>Financial assets</b>			
- Investments	4	10,193,671	10,193,671
- Loans and advances		-	-
- Others financial assets	5	-	-
- Bank balances	09	1,506,104	1,506,104
Deferred tax assets (Net)		-	-
- Other financial assets	10	24,776,014	24,653,245
Other non-current assets	6	403,788	403,788
<b>Subtotal</b>		<b>386,747,303</b>	<b>411,554,273</b>
<b>Current assets</b>			
Inventories	7	6,995,225	5,160,650
<b>Financial assets</b>			
- Investments		-	-
- Trade Receivables	8	42,330,820	41,395,945
- Cash and Cash equivalents	9	52,686,975	1,947,873
- Bank balances other than Cash and cash equivalents		-	-
- Other financial assets	10	26,754	1,630,617
- Loans and advances	11	30,059,933	30,382,932
Other current assets	12	34,998,099	34,707,327
<b>Subtotal</b>		<b>167,097,805</b>	<b>115,225,344</b>
Non-current assets classified as held for sale		-	-
<b>TOTAL ASSETS</b>		<b>553,845,108</b>	<b>526,779,616</b>
		Standalone	Standalone
		Rs	Rs
EQUITY AND LIABILITIES	Note No.	As at 31 March 2020	As at 31 March 2019
<b>Equity</b>		Rs	Rs
Equity Share capital	13	335,500,000	335,500,000
Other equity			
- Securities Premium	14	1,406,552,893	1,406,552,893
- General Reserve	14	892,955,450	892,955,450
- Retained earnings	14	(4,157,748,441)	(3,942,719,374)
- Revaluation Reserve	14	199,059,115	199,059,115
- Equity component of other financial instrument	14	(107,168)	(107,168)
<b>Other Equity</b>		<b>(1,659,288,151)</b>	<b>(1,444,259,084)</b>
<b>Total Equity</b>		<b>(1,323,788,151)</b>	<b>(1,108,759,084)</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
- Borrowings	16	-	-
- Other financial liabilities		-	-
Provisions	15	2,201,151	2,304,522
Deferred tax liabilities (Net)		-	-
Other non-current liabilities		-	-
<b>Subtotal</b>		<b>2,201,151</b>	<b>2,304,522</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
- Borrowings	16	221,543,861	221,943,861
- Trade payables	17	130,460,891	131,050,234
- Other financial liabilities	18	1,118,377,212	873,864,237
Other current liabilities	19	400,597,203	401,922,904
Provisions	15	2,752,942	2,752,942
Liabilities for income tax (net)	15	1,700,000	1,700,000
<b>Subtotal</b>		<b>1,875,432,109</b>	<b>1,633,234,179</b>
<b>TOTAL EQUITIES AND LIABILITIES</b>		<b>553,845,108</b>	<b>526,779,616</b>

See accompanying notes to the financial statements  
As per our report of even date attached

For KSPM & Associates, Chartered Accountants  
ICAI FRN: 104723W

CA Sanjay Shah  
Partner  
ICAI Mem No: 116251

UDIN: 20116251AAAACH3231  
Place : Mumbai  
Date : 31st July, 2020

For and on Behalf of Sejal Glass Limited  
CIN: L26100MH1998PLC117437

Prashant Jain  
Resolution  
Professional  
Appointed under  
IBC Code, 2016  
IP Reg  
No: IBBI/IPA-  
001/IP-

Amrut S Gada  
Erstwhile Chairman  
& Managing Director  
DIN : 00163290

Mitesh K Gada  
Erstwhile  
Executive  
Director  
DIN: 0148934

Ashwin S Shetty  
V P Operations  
Company Secretary

Sejal Glass Limited			
Statement of Profit and Loss for the Year Ended 31st March 2020 (Standalone)			
Income	Note No.	For the Year Ended 31st March 2020	For the Year Ended 31st March 2019
Revenue from operations	20	37,157,706	85,389,770
Other income	21	2,015,892	5,259,117
<b>Total Income</b>		<b>39,173,598</b>	<b>90,648,887</b>
<b>Expenses</b>			
Cost of materials consumed	22	27,438,755	66,186,305
Purchase of stock-in-trade	23	-	-
Changes in inventories of finished goods, work in progress and stock-in-trade	24	(2,129,822)	11,310,171
Excise duty Collected on Sales		-	-
Employee Benefit Expense	25	28,343,263	34,479,093
Finance Cost	26	22,413,009	21,941,897
Depreciation and amortisation expense		24,929,740	25,981,989
Other expense	27	26,252,811	40,293,614
<b>Total expenses</b>		<b>127,247,755</b>	<b>200,193,068</b>
<b>Profit/ (loss) before exceptional items and tax</b>		<b>(88,074,157)</b>	<b>(109,544,181)</b>
<b>Exceptional items (net of tax)</b>			
Provision for Contingency , Provision for Doubtful Debts/Loans & Advances & Other Liabilities		(126,954,910)	(37,046,128)
<b>Profit/ (loss) before tax</b>		<b>(215,029,067)</b>	<b>(146,590,309)</b>
<b>Tax expense</b>			
a) Current tax			
b) Deferred tax			
<b>Profit/ (loss) for the period from continuing operations before exceptional items</b>		<b>(88,074,157)</b>	<b>(109,544,181)</b>
<b>Profit/ (loss) for the period from continuing operations after exceptional items</b>		<b>(215,029,067)</b>	<b>(146,590,309)</b>
<b>Other comprehensive income</b>			
(a) Items that will not be reclassified to profit or loss			
-Remeasurement benefit of defined benefit plans		-	-
- Income tax relating to items that will not be reclassified to profit or loss		-	-
(b) Items that will be reclassified to profit or loss			
- Income tax relating to items that will be reclassified to profit or loss		-	-
<b>Total Other Comprehensive Income for the year</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>(215,029,067)</b>	<b>(146,590,309)</b>
<b>Earnings per equity share (for continuing operations) before exceptional items (par value Rs.10 per share)</b>			
a) Basic		(6.42)	(4.38)
b) Diluted		(6.42)	(4.38)
<b>Earnings per equity share (for continuing operations) after exceptional items (par value Rs.10 per share)</b>			
a) Basic		(6.42)	(4.38)
b) Diluted		(6.42)	(4.38)

See accompanying notes to the financial statements  
As per our report of even date attached

For KSPM & Associates, Chartered Accountants  
ICAI FRN: 104723W

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ICAI Mem No: 116251

UDIN: 20116251AAAACH3231  
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CIN: L26100MH1998PLC117437

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V P Operations  
Company Secretary

SEJAL GLASS LIMITED				
Cash Flow Statement for the Year Ended 31st March, 2020 (STAND ALONE)				
Particulars	For the year ended 31st March, 2020		For the year ended 31st March, 2019	
	Audited		Audited	
	Rs	Rs	Rs	Rs
<b>A. Cash flow from operating activities</b>				
Net Profit / (Loss) before tax		(215,029,069)		(146,590,309)
Add Extraordinary items		-		-
Exceptional items		126,954,910		37,046,128
		(88,074,159)		(109,544,181)
<i>Adjustments for:</i>				
Depreciation and amortisation	24,929,740		25,981,989	
Finance costs	22,413,009		21,941,897	
Interest income	(2,015,892)		(4,265,376)	
Net (gain) / loss on sale of Assets	-		5,753	
Liabilities / provisions no longer required written back	-		(36,160,425)	
		45,326,857		7,503,838
Operating profit / (loss) before working capital changes		(42,747,302)		(102,040,343)
<i>Changes in working capital:</i>				
<i>Adjustments for (increase) / decrease in operating assets:</i>				
Inventories	(1,834,575)		16,954,643	
Trade receivables	(934,875)		55,102,040	
Short-term loans and advances	(322,999)		17,203,127	
Long-term loans and advances	-		-	
Other current assets	(290,772)		(756,459)	
Other non-current assets	1,481,093		2,997,052	
<i>Adjustments for increase / (decrease) in operating liabilities:</i>				
Trade payables	(589,343)		4,936,650	
Other current liabilities	(1,325,701)		(1,289,598)	
Short-term provisions	-		-	
Long-term provisions	(103,371)		-	
Other Financial Liability	118,204,064		35,579,411	
		114,283,520		130,726,867
		71,536,219		28,686,524
Cash flow from extraordinary items				
Cash generated from operations		71,536,219		28,686,524
Net income tax (paid) / refunds		-		-
<b>Net cash flow from / (used in) operating activities (A)</b>		71,536,219		28,686,524
<b>B. Cash flow from investing activities</b>				
Capital expenditure on fixed assets, including capital advances				
Proceeds from sale of fixed assets	-		34,015,000	
Movement in long-term Investments	-		-	
Interest received	2,015,892		4,265,376	
<b>Net cash flow from / (used in) investing activities (B)</b>		2,015,892		38,280,376
<b>C. Cash flow from financing activities</b>				
Movement in Fixed Deposits	-		(1,260,000)	
Inter Corporate Deposits	-		4,928,000	
Movement in Borrowing	(400,000)		(47,313,678)	
Finance cost	(22,413,009)		(21,941,897)	
<b>Net cash flow from / (used in) financing activities (C)</b>		(22,813,009)		(65,587,574)
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>		50,739,101		1,379,326
Cash and cash equivalents at the beginning of the year		1,947,873		568,548
<b>Cash and cash equivalents at the end of the year</b>		52,686,975		1,947,873

See accompanying notes to the financial statements  
As per our report of even date attached

For KSPM & Associates, Chartered Accountants  
ICAI FRN: 104723W

CA Sanjay Shah  
Partner  
ICAI Mem No: 116251

UDIN: 20116251AAAACH3231  
Place : Mumbai  
Date : 31st July, 2020

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DIN: 0148934

Ashwin S Shetty  
V P Operations  
Company Secretary

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

### 1.0 CORPORATE INFORMATION

The Company is engaged in the business of manufacture of Value Added Glass in various forms viz. Tempering, Designing, Insulating and Laminated Glass.

The Hon'ble National Company Law Tribunal, Mumbai ("NCLT") by order dated 13th February, 2019 admitted the Corporate Insolvency Resolution Process ("CIRP") application filed by Edelweiss Asset Reconstruction Company against the Company and appointed Shri Rajendra Kumar Girdhar Registration Number [IBBI/PA-003/IP-N00048/2017-18/10396] as Interim Resolution Professional to carry out functions as mentioned under Insolvency & Bankruptcy Code, 2016.

The appointment was made in Petition filed u/s 7 of Insolvency & Bankruptcy Code, 2016 (I & B Code) by Edelweiss Asset Reconstruction Co. Limited, Financial Creditor or Petitioner to initiate Corporate Insolvency Resolution Process (CIRP) against the Corporate Debtor on the ground that as on 10.05.2018, the Corporate Debtor has defaulted in repaying the debt amount i.e. Rs 40,49,72,485/-. The date of default in repayment of the debt by the Corporate Debtor as stated by the petitioner is 13.10.2016.

The Petitioner, as Trustee of the Edelweiss Asset Reconstruction Company Trust SC-42, entered into an assignment agreement with State Bank of Patiala on 26.06.2014, wherein it got assigned the impugned loans disbursed by the assignor to the Corporate Debtor. The said assignment agreement is annexed with the petition.

In response to application number MA 1324/2019 filed by the Committee of Creditors, the Hon'ble NCLT, Mumbai vide its order dated 23rd April, 2019 has accepted the proposal to appoint Mr Prashant Jain as Resolution Professional.

In view of the ongoing CIRP and suspension of powers of Board of Directors on 13th February, 2019, the powers of adoption of this standalone financial results vests with the RP under provisions of Insolvency & Bankruptcy Code 2016.

As per Section 134 of the Companies Act, 2013, the financial statements of a Company are required to be authenticated by the Chairperson of the Board of Directors, where authorized by the Board or at least two directors, of which one shall be the Managing Director or CEO (being a Director), the CFO and the Company Secretary where they are appointed. Under IBC 2016, such powers shall vest the Resolution Professional Mr. Prashant Jain.

The Resolution Professional invited Expression of Interest from the prospective bidders for submission of Resolution Plans for revival of the Company. In terms of provisions of the Insolvency and Bankruptcy Code, 2016 (IBC) the resolution plan submitted by the Prospective Resolution Applicant (RA) has been approved by the Committee of Creditors (COC) of the company in its COC meeting and identified as a successful resolution applicant.

The Hon'ble NCLT, Mumbai bench, has in the hearing held on July 02, 2020 after hearing the parties concerned have now reserved the matter for pronouncement of orders.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

### SIGNIFICANT ACCOUNTING POLICIES

#### 2.0 SIGNIFICANT ACCOUNTING POLICIES AND KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

##### 2.1 Basis of preparation of financial statements

These financial statements are the separate financial statements of the Company (also called standalone financial statements) prepared in accordance with Indian Accounting Standards ("IND AS") notified under Section 133 of the Companies Act, 2013, read together with the Companies (Indian Accounting Standards) Rules, 2015

For all periods upto and including the year ended 31st March 2017, the Company had prepared its financial statements in accordance with Accounting Standards notified under the Section 133 of the Companies Act, 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 ('Previous GAAP').

These financial statements have been prepared and presented under the historical cost convention and on the accrual basis of accounting except for certain financial assets and financial liabilities that are measured at fair value at the end of each reporting period (where ever and to the extent applicable financial assets and liabilities are valued at Fair Value) .

**The Financials of the Company have been prepared on a going concern basis as the Company expects to successfully sail through the Corporate Insolvency Resolution Process.**

The accounting policies have been applied consistently over all the period presented in these financial statements

##### 2.2 Current/Non Current Classification

Any asset or liability is classified as current if it satisfied any of the following conditions :

- i. The Asset/Liability is expected to be realised/settled in the Company's normal operating cycle;
- ii The Asset is intended for sale or consumption;
- iii The Asset/Liability is held primarily for the purpose of trading;
- iv The Asset/Liability is expected to be realized/settled within twelve months after the reporting period;
- v The asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date;
- vi In the case of a liability, the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date

All other assets and liabilities are classified as non current.

For the purpose of current/non current classification of assets and liabilities, the Company has ascertained its normal operating cycle as twelve months. This is based on the nature of services and the time limit between the acquisition of assets or inventories for processing and their realization in cash and cash equivalents.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

### 2.3 Summary of Significant Accounting Policies

#### a) Business Combinations

Business combinations are accounted for using the acquisition method. At the acquisition date, identifiable assets acquired and liabilities assumed are measured at fair value. For this purpose, the liabilities assumed are measured at fair value. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition date fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. The Consideration transferred is measured at fair value at acquisition date and includes the fair value of any contingent consideration. However, deferred tax asset or liability and any liability or asset relating to employee benefit arrangements arising from a business combination are measured and recognised in accordance with the requirements of Ind AS 12 "Income Taxes" and Ind AS 19 "Employee Benefits", respectively

Where the consideration transferred exceeds the fair value of the net identifiable assets acquired and liabilities assumed, the excess is recorded as goodwill. Alternatively, in case of a bargain purchase where in the consideration transferred is lower than the fair value of the net identifiable assets acquired and liabilities assumed, the difference is recorded as a gain in other comprehensive income and accumulated in equity as capital reserve. The costs of acquisition excluding those relating to issue of equity or debt securities are charged to the Statement of Profit and Loss in the period in which they are incurred.

In case of business combinations involving entities under common control, the above policy does not apply. Business combinations involving entities under common control are accounted for using the pooling of interest method. The net assets of the transferor entity or business are accounted at their carrying amounts on the date of the acquisition subject to necessary adjustments required to harmonise accounting policies. Any excess or shortfall of the consideration paid over the share capital of transferor entity or business is recognized as capital reserve under equity

#### b) Goodwill

Goodwill is an asset representing the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognised. Goodwill is initially measured at cost, being the excess of the consideration transferred over the net identifiable assets acquired and liabilities assumed, measured in accordance with Ind AS 103, "Business Combinations"

Goodwill is considered to have indefinite useful life and hence is not subject to amortization but tested for impairment at least annually. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination, is from the acquisition date, allocated to each of the Company's cash generating units (CGU's) that are expected to benefit from the combinations. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. Each CGU or a combinations of CGU's to which goodwill is so allocated represents the lowest level at which goodwill is monitored for internal management purpose and it is not larger than an operating segment of the Company.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

A CGU to which goodwill is allocated is tested for impairment annually, and whenever there is an indication that the CGU may be impaired by comparing the carrying amount of the CGU, including the goodwill, with the recoverable amount of the CGU. If the recoverable amount of the CGU exceeds the carrying amount of the CGU and the goodwill allocated to that CGU is regarded as not impaired. If the carrying amount of the CGU exceeds the recoverable amount of the CGU, the Company recognises an impairment loss by first reducing the carrying amount of any goodwill allocated to the CGU and then to other assets of the CGU pro-rata based on the carrying amount of each asset in the CGU. Any impairment loss on goodwill is recognised in the Statement of Profit and Loss. An impairment loss is recognised for goodwill is not reversed in subsequent periods.

On disposal of a CGU to which goodwill is allocated, the goodwill associated with the disposal CGU is included in the carrying amount if the CGU when determining the gain or loss on disposal.

### c) Property, Plant and Equipment

#### Measurement at recognition

An item of property, plant and equipment that qualifies as an asset is measured on initial recognition at cost. Following initial recognition, items of property, plant and equipment are carried at its cost less accumulated depreciation and accumulated impairment losses.

The Company identifies and determines cost of each part of an item of property, plant and equipment separately, if the part has a cost which is significant to the total cost of that item of property, plant and equipment and has useful that is materially different from that of the remaining item.

The cost of an item of property, plant and equipment comprises of its purchase price including import duties and other non refundable purchase taxes or levies, directly attributable cost of bringing the asset to its working condition for its intended use and the initial estimate of decommissioning, restoration and similar liabilities, if any. Any trade discounts and rebates are deducted in arriving at the purchase price. Cost includes cost of replacing a part of a plant and equipment if the recognition criteria are met. Expenses directly attributable to new manufacturing facility during its construction period are capitalised if the recognition criteria are met. Expenditure related to plans, designs and drawings of buildings or plant and machinery is capitalised under relevant heads of property, plant and equipment if the recognition criteria are met.

Items such as spare parts, stand-by equipment and servicing equipment that meet the definition of property, plant and equipment are capitalised at cost and depreciated over their useful life. Costs in nature of repairs and maintenance are recognised in the statement of Profit and Loss as and when incurred.

#### Capital work in progress and Capital advances

Cost of assets not ready for intended use, as on the Balance Sheet Date, is shown as capital work in progress. Advances given towards acquisition of fixed assets outstanding at each Balance Sheet date are disclosed as Other Non Current Assets.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

### Depreciation

Depreciation on each part of an item of property, plant and equipment is provided on Original Cost/WDV Less Residual Value (Residual Value is calculated at 5% of Original Cost) using the Straight Line Method based on the useful life of the asset as mentioned below and charged to the Statement of Profit and Loss as per the requirement of Schedule II of the Companies Act, 2013 .

The estimated useful life of items of property, plant and equipment is mentioned below :

Type of Asset	Useful Life of Asset in Years
Motor Vehicles	8
Furniture and Fixtures	10
Computers Desktops and Laptops	3
Computer Server	6
Office Equipment	5
Factory Building	30
Buildings Other than Factory Building (with RCC Frame Structure)	60
Buildings Other than Factory Building (without RCC Frame Structure)	30
General Rate for Plant and Machinery - Continuous Use	8
General Rate for Plant and Machinery -Non Continuous Use	15

Freehold Land is not depreciated . Lease hold land and Leasehold improvements are amortised over the period of lease

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

### **De Recognition :**

The carrying amount of an item of property, plant and equipment is de-recognised on disposal or when no future economic benefits are expected from its use or disposal. The Gain or Loss arising from the De recognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognised in the Statement of Profit and Loss when the item is derecognised.

### **d) Intangible Assets :**

#### **Measurement at recognition :**

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets arising on acquisition of business are measured at fair value as at date of acquisition. Internally generated intangibles including research cost are not capitalised and the related expenditure is recognised in the Statement of Profit and Loss in the period in which the expenditure is incurred .

#### **Amortisation :**

The amortisation period and the amortisation method for an intangible asset with finite useful life is reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate

#### **Derecognition :**

The carrying amount of an intangible asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the Derecognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and is recognised in the Statement of Profit and Loss when the asset is derecognised.

### **d) Impairment :**

Assets that have an indefinite useful life, for example goodwill, are not subjected to amortisation and are tested for impairment annually and whenever there is an indication that the asset may be impaired

Assets that are subject to depreciation and amortisation and assets representing investments in subsidiary and associate companies are reviewed for impairment, whenever events or changes in circumstances indicate that carrying amount may not be recoverable . Such circumstances include, though not limited to , significant or sustained decline in revenues or earnings and material adverse changes in the economic environment.

An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit (CGU) exceeds its recoverable amount. The recoverable amount of an asset is the greater of its fair value less cost to sell and value in use. To calculate value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market rates and the risk specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs. Fair value less cost to sell is the best estimate of the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable , willing parties, less the cost of disposal.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

Impairment losses, if any, are recognized in the Statement of Profit and Loss and included in depreciation and amortisation expense. Impairment losses are reversed in the Statement of Profit and Loss only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been previously been recognised.

### f) Revenue :

Revenue is recognized when it is probable that economic benefits associated with a transaction flows to the Company in the ordinary course of its activities and the amount of revenue can be measured reliably . Revenue is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates allowed by the Company.

Revenue includes only the gross inflows of economic benefits, including excise duty, received and receivable by the Company, on its own account. Amounts collected on behalf of third parties such as sales tax and value added tax and excluded from revenue.

### Sale of products :

Revenue from sale of products is recognised when the Company transfers all significant risks and rewards of ownership to the buyer, while the Company retains neither continuing managerial involvement nor effective control over the products sold .

### Rendering of services :

Revenue from services is recognised when the stage of completion can be measured reliably. Stage of completion is measured by the services performed till Balance Sheet date as a percentage of total services contracted.

### Interest, royalties and dividends :

Interest income is recognised using effective interest method. Royalty income is recognised on an accrual basis in accordance with the substance of the relevant agreement. Dividend income is recognised when the right to receive payment is established.

### g) Government grants and subsidies :

#### Recognition and Measurement :

In case Company is entitled to subsidies from government in respect of manufacturing units located in specified regions.

Such subsidies are measured at amounts receivable from the government which are non refundable and are recognised as income when there is a reasonable assurance that the Company will comply with all the necessary conditions attached to them. Income from subsidies is recognised on a systematic basis over the periods in which the related costs that are intended to be compensated by such subsidies are recognised.

In the event the Company receives refundable government loans at below-market rate of interest which are accounted in accordance with the recognition and measurement principles of IND AS 109 'Financial Instruments'. The benefit of below-market rate of interest is measured as the difference between the initial carrying value of loan determined in accordance with Ind AS 109 and the proceeds received. It is recognised as income when there is a reasonable assurance that the Company will comply with all the necessary conditions attached to the loans. Income from such benefit is recognised on a systematic basis over the period of the loan during which the Company recognises interest expense corresponding to such loans.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

### Presentation:

Income from subsidies are presented on gross basis under Revenue from Operations. Income arising from below-market rate of interest loans are presented on gross basis under Other Income.

### h) Inventory :

Raw materials, work-in-progress, finished goods, packing materials, stores, spares, components, consumables and stock-in-trade are carried at the lower of cost and net realizable value. However, materials and other items held for use in production of inventories are not written down below cost if the finished goods in which they will be incorporated are expected to be sold at or above cost. The comparison of cost and net realizable value is made on an item-by item basis.

In determining the cost of raw materials, packing materials, stock-in-trade, stores, spares, components and consumables, weighted average cost method is used. Cost of inventory comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.

Cost of finished goods and work-in-progress includes the cost of raw materials, packing materials, an appropriate share of fixed and variable production overheads, excise duty as applicable and other costs incurred in bringing the inventories to their present location and condition. Fixed production overheads are allocated on the basis of normal capacity of production facilities.

### i) Financial Instruments :

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### **Financial Assets**

#### Initial recognition and measurement:

The Company recognizes a financial asset in its Balance Sheet when it becomes party to the contractual provisions of the instrument. All financial assets are recognized initially at fair value, plus in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial asset.

Where the fair value of a financial asset at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognized as a gain or loss in the Statement of Profit and Loss at initial recognition if the fair value is determined through a quoted market price in an active market for an identical asset (i.e. level 1 input) or through a valuation technique that uses data from observable markets (i.e. level 2 input).

In case the fair value is not determined using a level 1 or level 2 input as mentioned above, the difference between the fair value and transaction price is deferred appropriately and recognized as a gain or loss in the Statement of Profit and Loss only to the extent that such gain or loss arises due to a change in factor that market participants take into account when pricing the financial asset.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

**However, trade receivables that do not contain a significant financing component are measured at transaction price.**

The Management based on historically observed default rates makes provision for receivables.

### **Subsequent measurement:**

For subsequent measurement, the Company classifies a financial asset in accordance with the below criteria:

- i) The Company's business model for managing the financial asset
- ii) The contractual cash flow characteristics of the financial asset.

Based on the above criteria, the Company classifies its financial assets into the following categories:

- i. Financial assets measured at amortized cost
- ii. Financial assets measured at fair value through other comprehensive income (FVTOCI)
- iii. Financial assets measured at fair value through profit or loss (FVTPL)
- i. **Financial assets measured at amortized cost:**

A financial asset is measured at the amortized cost if both the following conditions are met:

- a) The Company's business model objective for managing the financial asset is to hold financial assets in order to collect contractual cash flows, and
- b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to cash and bank balances, trade receivables, loans and other financial assets of the Company. Such financial assets are subsequently measured at amortized cost using the effective interest method.

Under the effective interest method, the future cash receipts are exactly discounted to the initial recognition value using the effective interest rate. The cumulative amortization using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial asset over the relevant period of the financial asset to arrive at the amortized cost at each reporting date. The corresponding effect of the amortization under effective interest method is recognized as interest income over the relevant period of the financial asset. The same is included under other income in the Statement of Profit and Loss.

The amortized cost of a financial asset is also adjusted for loss allowance, if any.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

### ii. Financial assets measured at FVTOCI:

A financial asset is measured at FVTOCI if both of the following conditions are met:

- a) The Company's business model objective for managing the financial asset is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to certain investments in debt instruments. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Other Comprehensive Income (OCI). However, the Company recognizes interest income and impairment losses and its reversals in the Statement of Profit and Loss.

On Derecognition of such financial assets, cumulative gain or loss previously recognized in OCI is reclassified from equity to Statement of Profit and Loss.

Further, the Company, through an irrevocable election at initial recognition, has measured certain investments in equity instruments at FVTOCI. The Company has made such election on an instrument by instrument basis. These equity instruments are neither held for trading nor are contingent consideration recognized under a business combination. Pursuant to such irrevocable election, subsequent changes in the fair value of such equity instruments are recognized in OCI. However, the Company recognizes dividend income from such instruments in the Statement of Profit and Loss.

On Derecognition of such financial assets, cumulative gain or loss previously recognized in OCI is not reclassified from the equity to Statement of Profit and Loss. However, the Company may transfer such cumulative gain or loss into retained earnings within equity.

### iii. Financial assets measured at FVTPL:

A financial asset is measured at FVTPL unless it is measured at amortized cost or at FVTOCI as explained above. This is a residual category applied to all other investments of the Company excluding investments in subsidiary and associate companies. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Statement of Profit and Loss.

### Derecognition:

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized (i.e. removed from the Company's Balance Sheet) when any of the following occurs:

- i. The contractual rights to cash flows from the financial asset expires;
- ii. The Company transfers its contractual rights to receive cash flows of the financial asset and has substantially transferred all the risks and rewards of ownership of the financial asset;
- iii. The Company retains the contractual rights to receive cash flows but assumes a contractual obligation to pay the cash flows without material delay to one or more recipients under a 'pass-through' arrangement (thereby substantially transferring all the risks and rewards of ownership of the financial asset);
- iv. The Company neither transfers nor retains substantially all risk and rewards of ownership and does not retain control over the financial asset.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

In cases where Company has neither transferred nor retained substantially all of the risks and rewards of the financial asset, but retains control of the financial asset, the Company continues to recognize such financial asset to the extent of its continuing involvement in the financial asset. In that case, the Company also recognizes an associated liability. The financial asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

On Derecognition of a financial asset, (except as mentioned in ii above for financial assets measured at FVTOCI), the difference between the carrying amount and the consideration received is recognized in the Statement of Profit and Loss.

### Impairment of financial assets:

The Company applies expected credit losses (ECL) model for measurement and recognition of loss allowance on the following:

- i. Trade receivables and lease receivables.
- ii. Financial assets measured at amortized cost (other than trade receivables and lease receivables),
- iii. Financial assets measured at fair value through other comprehensive income (FVTOCI).

In case of trade receivables and lease receivables, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognized as loss allowance.

In case of other assets (listed as ii and iii above), the Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognized as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognized as loss allowance.

Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognizing impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12-month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date.

ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

As a practical expedient, the Company uses a provision matrix to measure lifetime ECL on its portfolio of trade receivables. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates. At each reporting date, the historically observed default rates and changes in the forward-looking estimates are updated. The Management based on historically observed default rates is of the opinion that all the receivables are Good and Recoverable except to the extent of Bad and Doubtful Debts.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

ECL impairment loss allowance/Provision (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss under the head 'Other expenses'.

### **Financial Liabilities :**

#### **Initial recognition and measurement:**

The Company recognizes a financial liability in its Balance Sheet when it becomes party to the contractual provisions of the instrument. All financial liabilities are recognized initially at fair value minus, in the case of financial liabilities not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial liability.

Where the fair value of a financial liability at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognized as a gain or loss in the Statement of Profit and Loss at initial recognition if the fair value is determined through a quoted market price in an active market for an identical asset (i.e. level 1 input) or through a valuation technique that uses data from observable markets (i.e. level 2 input).

In case the fair value is not determined using a level 1 or level 2 input as mentioned above, the difference between the fair value and transaction price is deferred appropriately and recognized as a gain or loss in the Statement of Profit and Loss only to the extent that such gain or loss arises due to a change in factor that market participants take into account when pricing the financial liability.

#### **Subsequent measurement:**

All financial liabilities of the Company are subsequently measured at amortized cost using the effective interest method

Under the effective interest method, the future cash payments are exactly discounted to the initial recognition value using the effective interest rate. The cumulative amortization using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial liability over the relevant period of the financial liability to arrive at the amortized cost at each reporting date. The corresponding effect of the amortization under effective interest method is recognized as interest expense over the relevant period of the financial liability. The same is to be included under finance cost in the Statement of Profit and Loss. However in absence of Fixed Repayment Schedule, Effective Interest Cost Method cannot be applied

#### **Derecognition:**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the Derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid is recognized in the Statement of Profit and Loss.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

### j) **Derivative financial instruments and Hedge accounting**

The Company enters into derivative financial contracts in the nature of forward currency contracts with external parties to hedge its foreign currency risks relating to foreign currency denominated financial liabilities measured at amortized cost. The Company formally establishes a hedge relationship between such forward currency contracts ('hedging instrument') and recognized financial liabilities ('hedged item') through a formal documentation at the inception of the hedge relationship in line with the Company's Risk Management objective and strategy.

The hedge relationship so designated is accounted for in accordance with the accounting principles prescribed for a fair value hedge under Ind AS 109, 'Financial Instruments'.

#### **Recognition and measurement of fair value hedge:**

Hedging instrument is initially recognized at fair value on the date on which a derivative contract is entered into and is subsequently measured at fair value at each reporting date. Gain or loss arising from changes in the fair value of hedging instrument is recognized in the Statement of Profit and Loss. Hedging instrument is recognized as a financial asset in the Balance Sheet if its fair value as at reporting date is positive as compared to carrying value and as a financial liability if its fair value as at reporting date is negative as compared to carrying value.

Hedged item (recognized financial liability) is initially recognized at fair value on the date of entering into contractual obligation and is subsequently measured at amortized cost. The hedging gain or loss on the hedged item is adjusted to the carrying value of the hedged item as per the effective interest method and the corresponding effect is recognized in the Statement of Profit and Loss.

#### **Derecognition:**

On Derecognition of the hedged item, the unamortized fair value of the hedging instrument adjusted to the hedged item, is recognized in the Statement of Profit and Loss.

### k) **Fair Value :**

The Company measures financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

**In the Principal market for the asset or liability,**  
or

**In the absence of a principal market, in the most advantageous market for the asset or liability**

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

Level 1 — quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 — inputs that are unobservable for the asset or liability

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period and discloses the same.

### l) **Investment in Subsidiary and Associate Companies**

The Company does not have any Subsidiary and/or Associate Companies.

However in the event the Company has an Associate or Subsidiary, the Company would recognize its investments in subsidiary and associate companies at cost in accordance with the option available in Ind AS 27, 'Separate Financial Statements'.

Foreign Currency Translation

### m) **Initial Recognition:**

On initial recognition, transactions in foreign currencies entered into by the Company are recorded in the functional currency (i.e. Indian Rupees), by applying to the foreign currency amount, the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of Profit and Loss.

### **Measurement of foreign currency items at reporting date:**

Foreign currency monetary items of the Company are translated at the closing exchange rates. Non-monetary items that are measured at historical cost in a foreign currency, are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency, are translated using the exchange rates at the date when the fair value is measured.

Exchange differences arising out of these translations are recognized in the Statement of Profit and Loss.

### n) **Income Taxes :**

Tax expense is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

### **Current tax:**

Current tax is the amount of income taxes payable in respect of taxable profit for a period. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible under the Income Tax Act, 1961.

Current tax is measured using tax rates that have been enacted by the end of reporting period for the amounts expected to be recovered from or paid to the taxation authorities.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020****Deferred tax:**

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit under Income Tax Act, 1961.

Deferred tax liabilities are generally recognized for all taxable temporary differences. However, in case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit, deferred tax liabilities are not recognized. Also, for temporary differences if any that may arise from initial recognition of goodwill, deferred tax liabilities are not recognized.

Deferred tax assets are generally recognized for all deductible temporary differences to the extent it is probable that taxable profits will be available against which those deductible temporary difference can be utilized. In case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit, deferred tax assets are not recognized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the benefits of part or all of such deferred tax assets to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

### Presentation of current and deferred tax:

Current and deferred tax are recognized as income or an expense in the Statement of Profit and Loss, except when they relate to items that are recognized in Other Comprehensive Income, in which case, the current and deferred tax income/ expense are recognized in Other Comprehensive Income.

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Company has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Company.

### o) Provisions and Contingencies :

The Company recognizes provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated.

If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

### p) Measurement of EBITDA :

The Company has opted to present Earnings Before Interest (finance cost), Tax, Depreciation and Amortization (EBITDA) as a separate line item on the face of the Statement of Profit and Loss for the period. The Company measures EBITDA based on profit/(loss) from continuing operations.

### q) Cash and Cash Equivalents :

Cash and Cash equivalents for the purpose of Cash Flow Statement comprise cash and cheques in hand, bank balances, demand deposits with banks where the original maturity is three months or less and other short term highly liquid investments.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

### r) Employee Benefits:

#### Short Term Employee Benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognized in the period in which the employee renders the related service. The Company recognizes the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

#### Post-Employment Benefits:

### i. Defined Contribution plans:

Defined contribution plans are employee state insurance scheme and Government administered pension fund scheme for all applicable employees and superannuation scheme for eligible employees.

#### Recognition and measurement of defined contribution plans:

The Company would (if, when and to the extent applicable) recognize contribution payable to a defined contribution plan as an expense in the Statement of Profit and Loss when the employees render services to the Company during the reporting period. If the contributions payable for services received from employees before the reporting date exceeds the contributions already paid, the deficit payable is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the reporting date, the excess is recognized as an asset to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.

### ii. Defined Benefit plans:

#### i) Provident Fund scheme:

Specified monthly contributions towards Employee Provident Fund scheme to a separate trust administered by the Company. The minimum interest payable by the trust to the beneficiaries as being notified by the Government every year. The Company has an obligation to make good the shortfall, if any, between the return on investments of the trust and the notified interest rate.

#### ii) Gratuity scheme:

The Company would operate (if, when and to the extent applicable) a defined benefit gratuity plan for employees. The Company would contribute to a separate entity (a fund), towards meeting the Gratuity obligation.

#### iii) Pension Scheme:

The Company may operate a defined benefit pension plan for certain specified employees and would be payable upon the employee satisfying certain conditions, as approved by the Board of Directors.

#### iv) Post-Retirement Medical benefit plan:

The Company may operate a defined post-retirement medical benefit plan for certain specified employees and would be payable upon the employee satisfying certain conditions.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

### **Recognition and measurement of Defined Benefit plans:**

The cost of providing defined benefits is determined using the Projected Unit Credit method with actuarial valuations being carried out at each reporting date. The defined benefit obligations recognized in the Balance Sheet represent the present value of the defined benefit obligations as reduced by the fair value of plan assets, if applicable. Any defined benefit asset (negative defined benefit obligations resulting from this calculation) is recognized representing the present value of available refunds and reductions in future contributions to the plan.

All expenses represented by current service cost, past service cost, if any, and net interest on the defined benefit liability / (asset) are recognized in the Statement of Profit and Loss.

Re measurements of the net defined benefit liability / (asset) comprising actuarial gains and losses and the return on the plan assets (excluding amounts included in net interest on the net defined benefit liability/asset), are recognized in Other Comprehensive Income. Such re measurements are not reclassified to the Statement of Profit and Loss in the subsequent periods.

The Company presents the above liability/(asset) as current and non-current in the Balance Sheet as per actuarial valuation by the independent actuary; however, the entire liability towards gratuity is considered as current as the Company will contribute this amount to the gratuity fund within the next twelve months.

### **Other Long Term Employee Benefits (to the extent applicable):**

Entitlements to annual leave and sick leave are recognized when they accrue to employees subject to a restriction on the maximum number of accumulation of leave if any determined by the Company. The Company determines the liability for such accumulated leaves using the Projected Accrued Benefit method with actuarial valuations being carried out at each Balance Sheet date.

### s) **Lease Accounting :**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

In respect of assets taken on operating lease, lease rentals are recognized as an expense in the Statement of Profit and Loss on straight line basis over the lease term unless

- (1) another systematic basis is more representative of the time pattern in which the benefit is derived from the leased asset; or
- (2) the payments to the lessor are structured to increase in the line with expected general inflation to compensate for the lessor's expected inflationary cost increases

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

### t) Research and Development :

Expenditure on research is recognized as an expense when it is incurred. Expenditure on development which does not meet the criteria for recognition as an intangible asset is recognized as an expense when it is incurred.

Items of property, plant and equipment and acquired Intangible Assets utilized for Research and Development are capitalized and depreciated in accordance with the policies stated for Property, Plant and Equipment and Intangible Assets.

### u) Borrowing Cost :

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs, if any, directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized, if any. All other borrowing costs are expensed in the period in which they occur.

### v) Segment Reporting :

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Company.

### w) Events after Reporting date :

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

### x) Non-Current Assets held for sale :

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use of the assets and actions required to complete such sale indicate that it is unlikely that significant changes to the plan to sell will be made or that the decision to sell will be withdrawn. Also, such assets are classified as held for sale only if the management expects to complete the sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and the fair value less cost to sell. Non-current assets are not depreciated or amortized.

### Key accounting estimates and judgements

The preparation of the Company's financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

### Critical accounting estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

The Company has chosen to consider Book Value in respect of Property, Plant and Equipment and Books values as on 1st April, 2016 as permitted by the Transitional Provisions under 1st Time Implementation of IND AS

#### a. Income taxes :

The Company's tax jurisdiction is India. Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions .

#### b. Business combinations and Intangible Assets :

Business combinations are accounted for using Ind AS 103, Business Combinations. Ind AS 103 requires the identifiable intangible assets and contingent consideration to be fair valued in order to ascertain the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. Significant estimates are required to be made in determining the value of contingent consideration and intangible assets. These valuations are conducted by independent valuation experts.

#### c. Property, Plant and Equipment:

Property, Plant and Equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the management at the time the asset is acquired as given in Schedule II of the Companies Act 2013.

#### d. Impairment of Goodwill:

Goodwill is tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash generating unit is less than its carrying amount based on a number of factors including operating results, business plans, future cash flows and economic conditions. The recoverable amount of cash generating units is determined based on higher of value-in-use and fair value less cost to sell. The goodwill impairment test is performed at the level of the cash- generating unit or groups of cash-generating units which are benefitting from the synergies of the acquisition and which represents the lowest level at which goodwill is monitored for internal management purposes.

Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent management's best estimate about future developments.

#### e. Defined Benefit Obligation

The costs of providing pensions and other post-employment benefits are charged to the Statement of Profit and Loss in accordance with Ind AS 19 'Employee benefits' over the period during which benefit is derived from the employees' services. The costs are assessed on the basis of assumptions selected by the management. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates. The same is disclosed in Note 29 , 'Employee benefits'.

#### f. Fair value measurement of Financial Instruments

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

### Ind AS 115, Revenue from contract with customers:

Ind AS 115 supersedes Ind AS 11, Construction Contract and Ind AS 18, Revenue. Ind AS 115 requires an entity to report information regarding nature, amount, timing and uncertainty of revenue and cash flow arising from a contract with customers. The principle of Ind AS 115 is that an entity should recognize revenue they demonstrates the transfer of promised goods and service to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard can be applied either retrospectively to each prior reporting period presented or can be applied retrospectively with recognition of cumulative effect of contracts that are not completed contracts the date of initial application of the standard.

Based on the preliminary assessment performed by the company, the impact of application of the standard is not expected to be material.

### Appendix B to Ind AS 21, Foreign currency transaction and advance consideration:

The Appendix clarifies that the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the assets, expenses or income (or part of it,) is the date on which an entity initially recognises the non-monetary assets or non-monetary liability arising from the payment or receipt of advance consideration towards such assets, expenses or income. If there are multiple payments or receipts in advance, then an entity must determine transaction date for each payments or receipts of advance consideration.

The impact of the Appendix on the financial statements, as assessed by the Company, is expected to be not material.

### Recent Accounting pronouncements

Ind AS 116 On March 30, 2019, the Ministry of Corporate Affairs issued Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases. IND AS 116 introduces a single lessee accounting model and requires a lessee to recognised assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The Standard also contains enhanced disclosure requirements for lessees. The standard allows for two methods of transition: the full retrospective approach, requires entities to retrospectively apply the new standard to each prior reporting period presented and the entities need to adjust equity at the beginning of the earliest comparative period presented, or the modified retrospective approach, under which the date of initial application of the new leases standard, lessees recognise the cumulative effect of initial application as an adjustment to the opening balance of equity as at annual periods beginning on or after January 1, 2019.

Based on the preliminary assessment performed by the company, the impact of application of the standard is not expected to be material.

### Appendix C to Ind AS 12 - Uncertainty over income tax treatments

On March 30, 2019, Ministry of Corporate Affairs issued Appendix C to Ind AS 12, which clarifies the accounting for uncertainties in income taxes. The interpretation is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. The entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The effective date for adoption of Appendix C to Ind AS 12 is April 1, 2019. The Company will apply Appendix C to Ind AS 12 prospectively from the effective date and the effect on adoption of Ind AS 12 on the financial statement is insignificant.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

Amendment to Ind AS 12 – Income Taxes On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 12 – Income Taxes. The amendments clarify that an entity shall recognise the income tax consequences of dividends on financial instruments classified as equity should be recognised according to where the entity originally recognised those past transactions or events that generated distributable profits were recognised. The effective date of these amendments is annual periods beginning on or after April 1, 2019. The Company is currently assessing the impact of this amendment on the Company's consolidated financial statements.

Amendment to Ind AS 19 - Plan Amendment, Curtailment or Settlement On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements requiring an entity to determine the current service costs and the net interest for the period after the remeasurement using the assumptions used for the remeasurement; and determine the net interest for the remaining period based on the remeasured net defined benefit liability or asset. These amendments are effective for annual reporting periods beginning on or after April 1, 2019.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

Note 3A: FIXED ASSETS									
Particulars	Gross block								
	Balance as at 1st April, 2019	Additions	Disposals	Reduction in Gross Block due to Transfer of Assets to Companies Act 2013	Gross Block of Assets Written Off (Others)	Balance as at 31st March, 2020	Balance as at 31st March, 2019		
<b>Tangible Assets</b>									
(a) Freehold Land	156,198,469	-	-	-	-	156,198,469	156,198,469		
(b) Buildings	188,418,718	-	-	-	-	188,418,718	188,418,718		
(c) Plant and Equipment	321,480,554	-	-	-	-	321,480,554	321,480,554		
(d) Furniture and Fixtures	7,895,859	-	-	-	-	7,895,859	7,895,859		
(e) Vehicles	8,039,292	-	-	-	-	8,039,292	8,039,292		
(f) Office equipment	1,757,436	-	-	-	-	1,757,436	1,757,436		
(g) Computers	1,259,678	-	-	-	-	1,259,678	1,259,678		
<b>Total (A)</b>	<b>685,020,007</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>685,020,007</b>	<b>685,020,007</b>		
Previous year (A)	708,161,602	14,083,562	37,225,557	-	-	685,020,007	708,161,602		
<b>Intangible Assets</b>									
Computer Software	-	-	-	-	-	-	-		
<b>Total (B)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		
Previous year (B)	-	-	-	-	-	-	-		
<b>Total (A)+(B)</b>	<b>685,020,007</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>685,020,007</b>	<b>685,020,007</b>		
Previous year (A)+(B)	708,161,602	14,083,562	37,225,557	-	-	685,020,007	708,161,602		

Note 3A: Fixed assets (contd.)

Particulars	Accumulated depreciation and impairment									
	Balance as at 1st April, 2019	Depreciation / amortisation expense for the Period	Depreciation on Revaluation	Depreciation Reversed on Revaluation decrease	Excess Depreciation Charged during Earlier Years Reversed	Assets transferred	Short Depreciation charged in the earlier years	Reduction in Provision for Depreciation due to Treatment as per Companies Act 2013	Provision for Depreciation of Assets Written off as per AS26	Provision for Depreciation of Assets Written Off (Others)
<b>Own Assets</b>										
<b>Tangible Assets</b>										
(a) Freehold Land	-	-	-	-	-	-	-	-	-	-
(b) Buildings	60,494,005	6,304,700	-	-	-	-	-	-	-	-
(c) Plant and Equipment	265,485,733	181,146,322	-	-	-	-	-	-	-	-
(d) Furniture and Fixtures	5,711,561	380,672	-	-	-	-	-	-	-	-
(e) Vehicles	7,494,512	43,385	-	-	-	-	-	-	-	-
(f) Office equipment	1,394,053	54,661	-	-	-	-	-	-	-	-
(g) Computer	872,871	-	-	-	-	-	-	-	-	-
<b>Total (A)</b>	<b>339,452,734</b>	<b>24,929,739</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>394,304</b>	<b>-</b>	<b>-</b>	<b>364,382,473</b>	<b>19,610</b>
Previous year (A)	313,845,439	25,981,589	-	-	-	394,304	-	-	339,452,734	345,567,271
<b>Intangible Assets</b>										
Computer Software	-	-	-	-	-	-	-	-	-	-
<b>Total (B)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Previous year (B)	-	-	-	-	-	-	-	-	-	-
<b>Total (A)+(B)</b>	<b>339,452,734</b>	<b>24,929,739</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>394,304</b>	<b>-</b>	<b>-</b>	<b>364,382,473</b>	<b>19,610</b>
Previous year (A)+(B)	313,845,439	25,981,589	-	-	-	394,304	-	-	339,452,734	345,567,271

Note 3B: FIXED ASSETS

Notes on Financial Statements as on 31st March 2019

Gross block

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

Particulars	Balance as at 1st April, 2018	Additions	Disposals	Reduction in Gross Block due to Treatment as per Companies Act 2013	Gross Block of Assets Written off as per AS26	Gross Block of Assets Written Off (Others)	Balance as at 31st March 2019	Balance as at 31st March 2018
<b>Tangible Assets</b>								
(a) Freehold Land	178,961,092	-	22,762,623	-	-	-	156,198,469	178,961,092
(b) Buildings	188,418,718	14,047,877	14,047,877	-	-	-	188,418,718	188,418,718
(c) Plant and Equipment	321,490,554	-	-	-	-	-	321,490,554	321,490,554
(d) Furniture and Fixtures	7,895,859	-	-	-	-	-	7,895,859	7,895,859
(e) Vehicles	8,454,449	-	415,057	-	-	-	8,039,292	8,454,449
(f) Office equipment	1,721,351	36,085	-	-	-	-	1,757,436	1,721,351
(g) Computers	1,259,678	-	-	-	-	-	1,259,678	1,259,678
<b>Total (A)</b>	<b>708,161,602</b>	<b>14,083,962</b>	<b>37,225,557</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>685,020,007</b>	<b>708,161,602</b>
<b>Previous year (A)</b>	<b>707,677,835</b>	<b>483,767</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>708,161,602</b>	<b>708,223,618</b>
<b>Intangible Assets</b>								
Computer Software	-	-	-	-	-	-	-	-
<b>Total (B)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Previous year (B)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total (A)+(B)</b>	<b>708,161,602</b>	<b>14,083,962</b>	<b>37,225,557</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>685,020,007</b>	<b>708,161,602</b>
<b>Previous year (A)+(B)</b>	<b>707,677,835</b>	<b>483,767</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>708,161,602</b>	<b>708,223,618</b>

Note 3B Fixed assets (contd.)

	Accumulated depreciation and impairment								Net block		
	Balance as at 1st April, 2018	Depreciation / amortisation expense for the Period	Depreciation on Revaluation	Depreciation Reversed on Revaluation decrease	Excess Depreciation Charged during Earlier Years Reversed	Assets transferred	Short Depreciation charged in the earlier years	Reduction in Provision for Depreciation due to Treatment as per Companies Act 2013	Provision for Depreciation of Assets Written Off (Others)	Balance as at 31st March 2019	Balance as at 31st March 2018
Own Assets											
	Tangible Assets										
	-	-	-	-	-	-	-	-	-	156,198,469	178,961,092
	54,189,305	6,304,700	-	-	-	-	-	-	-	127,924,714	134,229,414
	244,601,258	18,884,475	-	-	-	-	-	-	-	263,485,733	76,849,296
	5,530,889	380,672	-	-	-	-	-	-	-	5,711,561	2,564,970
	7,535,936	333,270	-	-	-	394,304	-	-	19,610	7,494,512	918,413
	1,315,181	78,872	-	-	-	-	-	-	-	1,394,053	406,170
	872,871	-	-	-	-	-	-	-	-	872,871	386,806
	313,845,439	25,981,989	-	-	-	394,304	-	-	19,610	339,452,734	394,316,161
	286,535,089	27,310,347	-	-	-	-	-	-	-	313,845,436	421,142,744
Intangible Assets											
-	-	-	-	-	-	-	-	-	-	-	-
Total (B)											
-	-	-	-	-	-	-	-	-	-	-	-
Total (A)+(B)											
313,845,439	25,981,989	-	-	-	-	394,304	-	-	19,610	345,567,270	394,316,161
286,535,089	27,310,347	-	-	-	-	-	-	-	-	394,316,166	421,142,744

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

**Note 3.C : FIXED ASSETS****Depreciation and amortisation relating to continuing operations:**

Particulars	For the Year Ended 31st March, 2020	For the Year Ended 31st March, 2019
	Rs	Rs
Depreciation and amortisation for the year on tangible & intangible assets as per Note 3A & 3B	24,929,740	25,981,989
Less: Utilised from revaluation reserve	-	-
Less: Depreciation on Discontinued Operations	-	-
Depreciation and amortisation relating to continuing operations	24,929,740	25,981,989

**Notes:****(i) Details of sums added to assets on revaluation during the preceding 5 years:**

Particulars	Year				
	31st March, 2020	31st March, 2019	31st March, 2018	31st March, 2017	31st March, 2016
<b>LAND</b>					
Opening balance	169,061,326	206,782,182	206,782,182	206,782,182	206,782,182
Added on revaluation					
Date					
Transferred to General Reserve	-	37,720,856	-	-	-
Date				-	-
Balance as at 31 March	169,061,326	169,061,326	206,782,182	206,782,182	206,782,182
<b>BUILDING</b>					
Opening balance	29,997,789	43,020,411	47,098,382	51,636,163	65,830,512
Added on revaluation					
Depreciation on revaluation	4,310,363	4,307,876	4,307,876	4,537,781	4,317,193
Transferred to General Reserve	-	-	(229,905)	-	2,429,400
Loss on Sale of Assets Withdrawn	-	8,714,746		-	7,447,756
Balance as at 31 March	25,687,426	29,997,789	43,020,411	47,098,382	51,636,163

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

Note 4 : INVESTMENTS	Non Current	Non Current	Current	Current
	(Amount in Rs )	(Amount in Rs )	(Amount in Rs )	(Amount in Rs )
	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
<b>NON CURRENT INVESTMENTS</b>				
<b>Investments (At cost):</b>				
<b>(a) Investment in equity instruments</b>				
<b>Unquoted Equity Shares</b>				
<b>(i) Associates ( measured at cost)</b>				
2 (PY 2) shares of Rs 10 each fully paid in Sejal Arjuna Realty Pvt Ltd	20	20	-	-
5,00,000 (5,00,000) shares of Rs 10 each fully paid in Sejal Firebaan Glass Pvt. Ltd.	5,000,000	5,000,000	-	-
<b>(ii) Other Entities</b>				
1000 (1000) Shares of Rs 100 each fully paid in The Cosmos Co-Operative Bank Ltd	100,000	100,000	-	-
4000 (4000) Shares of Rs 10 each fully paid in Shakti Banquet Pvt.Ltd.	5,000,000	5,000,000	-	-
Sejal Bluecity Realtors Pvt. Ltd. - 100 (10,000) Equity. Shares of Rs 10 each	1,000	1,000	-	-
			-	-
<b>(b) Other Non-Current Investments - Gold coins</b>	92,651	92,651	-	-
			-	-
<b>Total - Investments (Unquoted) (B)</b>	<b>10,193,671</b>	<b>10,193,671</b>	-	-
			-	-
<b>Total (A + B)</b>	<b>10,193,671</b>	<b>10,193,671</b>	-	-
Aggregate amount of Quoted investments		-		-
Aggregate market value of listed and quoted investments		-		-
Aggregate amount of Unquoted investments	<b>10,193,671</b>	<b>10,193,671</b>	-	-

Note 5: OTHER FINANCIAL ASSETS	Non Current	Non Current	Current	Current
	(Amount in Rs )	(Amount in Rs )	(Amount in Rs )	(Amount in Rs )
	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, March, 2019
Interest accrued on trade receivables	-	13,972,238	-	-
Less : Allowances for credit losses	-	13,972,238	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Note 6 : OTHER ASSETS	Non Current	Non Current	Current	Current
	(Amount in Rs )	(Amount in Rs )	(Amount in Rs )	(Amount in Rs )
	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, March, 2019
Advance to Suppliers	20,888,752	20,888,752	-	-
	20,888,752	20,888,752	-	-
Less : Provision for Doubtful Advances	20,484,964	20,484,964		
<b>Unsecured Considered Good Total</b>	<b>403,788</b>	<b>403,788</b>	<b>-</b>	<b>-</b>

Note 7 : INVENTORIES	Non Current	Non Current	Current	Current
	(Amount in Rs )	(Amount in Rs )	(Amount in Rs )	(Amount in Rs )
	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, March, 2019
(At lower of cost or Net Realisable Value)				
(a) Raw materials	-	-	3,149,481	3,147,555
(b) Work-in-progress	-	-	1,736,250	109,506
(c) Finished goods	-	-	819,420	316,342
(d) Stock-in-trade	-	-	560,650	560,650
(e) Stores and spares	-	-	729,424	1,026,597
<b>Total</b>	<b>-</b>	<b>-</b>	<b>6,995,225</b>	<b>5,160,650</b>

Note 8: TRADE RECEIVABLE	Non Current	Non Current	Current	Current
	(Amount in Rs )	(Amount in Rs )	(Amount in Rs )	(Amount in Rs )
	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, March, 2019
<b>Unsecured, considered good</b>	-	-	306,576,601	305,641,726
Less : Provision for Doubtful Debts	-	-	264,245,781	264,245,781
<b>UNSECURED , CONSIDERED GOOD Total</b>	<b>-</b>	<b>-</b>	<b>42,330,820</b>	<b>41,395,945</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

	Non Current	Non Current	Current	Current
	(Amount in Rs )	(Amount in Rs )	(Amount in Rs )	(Amount in Rs )
<b>Note 9: CASH &amp; BANK BALANCES</b>	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
(a) Cash on hand	-	-	27,165	225,887
(b) Balances with banks	-	-	-	-
(i) In current accounts	-	-	1,750,825	1,721,986
(ii) In current accounts-Earmarked for CIRP	-	-	3,408,984	-
Note : Funds Earmarked for CIRP can be utilised only for approved CIRP purposes/meeting CIRP Period expenses	-	-	-	-
(iii) In deposit accounts -Fixed Deposit with ICICI Bank given as Security to ICICI Bank against guarantee issued to DNH Power	1,406,041	1,406,041	-	-
(iv) In deposit accounts--Fixed Deposits with Bank Earmarked for CIRP till approval of Resolution Plan	-	-	47,500,000	-
(iii) In earmarked accounts towards unpaid Dividend	100,063	100,063	-	-
- Unpaid dividend accounts	<b>1,506,104</b>	<b>1,506,104</b>	<b>52,686,975</b>	<b>1,947,873</b>

<b>Note 10 : OTHER FINANCIAL ASSETS</b>	Non Current	Non Current	Current	Current
	(Amount in Rs )	(Amount in Rs )	(Amount in Rs )	(Amount in Rs )
	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
(a) Loans and advances to related parties	-	-	20,214,425	20,214,005
(b) Loans and advances - Others	-	-	-	-
(b) Security deposits	-	-	7,863,055	7,393,055
(c) Loans and advances to employees	-	-	1,912,788	1,892,788
(d) Prepaid expenses - Unsecured, considered good	-	-	40,217	26,269
(e) Balances with government authorities	-	-	-	-
(i) CENVAT credit receivable	-	-	-	-
(ii) VAT credit receivable	5,479,484	5,479,484	-	-
(iii) Service Tax credit receivable	5,054,503	5,054,503	-	-
(iv) MAT Credit Entitlement	-	-	-	-
(v) Excise Input Credit	2,000	-	-	-
(vi) EPCG Licence Refund	1,905,134	1,905,134	-	-
(vii) GST Receivable	-	-	218,818	2,327,049
(viii) Payment for Excise Duty Appeal	851,465	851,464	-	-
IX) Income Tax	-	-	-	-
Advance income tax/TDS	14,697,219	14,576,450	-	-
Amount due from Government Authorities-Income Tax Refund (AY 12-13)	1,840,712	1,840,712	-	-
(x) GIDC payment under protest	-	-	-	-
<b>Total</b>	<b>29,830,517</b>	<b>29,707,747</b>	<b>30,249,303</b>	<b>31,853,166</b>
Less : Provision for Doubtful Advances	5,054,503	5,054,503	30,222,549	30,222,549
<b>UNSECURED , CONSIDERED GOOD</b>	<b>24,776,014</b>	<b>24,653,245</b>	<b>26,754</b>	<b>1,630,617</b>

<b>Note 11: LOANS &amp; ADVANCES</b>	Non Current	Non Current	Current	Current
	(Amount in Rs )	(Amount in Rs )	(Amount in Rs )	(Amount in Rs )
	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
Capital advances	-	-	41,145,973	41,145,973
Loans and advances to related parties	-	-	223,516,683	223,439,682
Loans and advances-Others	-	-	58,392	58,392
Loans and Advances - Inter Corporate Deposits	-	-	273,792,706	274,192,706
	-	-	<b>538,513,754</b>	<b>538,836,753</b>
Less : Provision for Doubtful Loans & Advances	-	-	508,453,821	508,453,821
<b>Unsecured Considered Good</b>	<b>-</b>	<b>-</b>	<b>30,059,933</b>	<b>30,382,932</b>

<b>Note 12 : OTHER CURRENT ASSETS</b>	Non Current	Non Current	Current	Current
	(Amount in Rs )	(Amount in Rs )	(Amount in Rs )	(Amount in Rs )
	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
(a) Interest accrued on deposits	-	-	223,497	-
(b) Sundry Receivables	-	-	159,509,063	159,484,521
(c) Advance to supplier	-	-	27,672,674	27,629,940
<b>Total</b>	<b>-</b>	<b>-</b>	<b>187,405,234</b>	<b>187,114,461</b>
Less : Provision for Doubtful Debts	-	-	152,407,135	152,407,135
<b>Unsecured Considered Good</b>	<b>-</b>	<b>-</b>	<b>34,998,099</b>	<b>34,707,327</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

## Note 13 : EQUITY SHARE CAPITAL

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Number of shares	Amount in Rs.	Number of shares	Amount in Rs.
(a) Authorised Share Capital	60,000,000	600,000,000	60,000,000	600,000,000
Equity shares of ₹10 each with voting rights				
(b) Issued Share Capital	33,550,000	335,500,000	33,550,000	335,500,000
Equity shares of ₹10 each with voting rights				
(c) Subscribed and fully paid up	33,550,000	335,500,000	33,550,000	335,500,000
Equity shares of ₹10 each with voting rights				

Reconciliation of the number of shares and the amount outstanding at the beginning and at the end of the reporting period.

Particulars	Opening Balance	Fresh Issue	Bonus	ESOP	Conversion	Buy Back	Other Changes	Closing balance
Equity share with Voting rights								
Year Ended 31.3.2020								
a) Number	33,550,000	-	-	-				33,550,000
b) Amount (Rs.)	335,500,000	-	-	-				335,500,000
Year Ended 31.3.2019				-				
a) Number	33,550,000	-	-	-				33,550,000
b) Amount (Rs.)	335,500,000	-	-	-				335,500,000

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Class of shares / Name of shareholder				
Sejal Realty and Infrastructure Limited	3,961,000	11.81%	3,961,000	11.81%
Anant S Gada	1,450,750	4.32%	1,450,750	4.32%

The details of Shareholder holding more than 5% shares:

As per the records of the company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

Note 14: OTHER EQUITY  
OTHER EQUITY FOR THE YEAR ENDED 31.03.2020

Particulars	Equity component of compound financial instruments	Share application money pending allotment	Capital Reserve	Securities Premium Reserve	Revaluation Reserve	General Reserve	Retained Earnings	Re Statement of Actuarial Valuation of Gratuity as per IND AS	Debt Instruments through Other Comprehensive Income	Equity Instrument through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Revaluation on Surplus	Remeasurement of the net defined benefit plans	Exchange differences on translating the financial statements of a foreign operation	Other items of Other Comprehensive Income (specify nature)	Money received against share warrants	Total
Balance at the beginning of the reporting period i.e. 1st April 2019	-	-	-	1,406,552,893	199,059,115	892,955,450	(3,942,710,374)	(107,168)	-	-	-	-	-	-	-	-	(1,444,259,084)
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the reporting period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-	-	-	(215,029,067)	-	-	-	-	-	-	-	-	-	(215,029,067)
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loss on Sale of 7th Floor of Sejal Enclave Building	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation Portion of Asset Sold transferred to General Reserve (7th Floor of Sejal Enclave Building)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation on Revitalised Assets withdrawn during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation on Revitalised Assets withdrawn during the year from Revitalisation Reserve and transferred to General Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at the end of the reporting period: 31.03.2020	-	-	-	1,406,552,893	199,059,115	892,955,450	(4,157,739,441)	(107,168)	-	-	-	-	-	-	-	-	(1,659,288,151)

OTHER EQUITY FOR THE YEAR ENDED 31.03.2019

Particulars	Equity component of compound financial instruments	Share application money pending allotment	Capital Reserve	Securities Premium Reserve	Revaluation Reserve	General Reserve	Retained Earnings	Re Statement of Actuarial Valuation of Gratuity as per IND AS	Debt Instruments through Other Comprehensive Income	Equity Instrument through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Revaluation on Surplus	Remeasurement of the net defined benefit plans	Exchange differences on translating the financial statements of a foreign operation	Other items of Other Comprehensive Income (specify nature)	Money received against share warrants	Total
Balance at the beginning of the reporting period i.e. 1st April 2018	-	-	-	1,406,552,893	249,802,593	850,926,718	(3,796,120,065)	(107,168)	-	-	-	-	-	-	-	-	(1,288,954,029)
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the reporting period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-	-	-	(146,590,309)	-	-	-	-	-	-	-	-	-	(146,590,309)
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loss on Sale of 7th Floor of Sejal Enclave Building	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation Portion of Asset Sold transferred to General Reserve (7th Floor of Sejal Enclave Building)	-	-	-	-	-	37,720,856	-	-	-	-	-	-	-	-	-	-	(8,714,746)
Depreciation on Revitalised Assets withdrawn during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation on Revitalised Assets withdrawn during the year from Revitalisation Reserve and transferred to General Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at the end of the reporting period: 31.03.19	-	-	-	1,406,552,893	199,059,115	892,955,450	(3,942,710,374)	(107,168)	-	-	-	-	-	-	-	-	(1,444,259,084)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

Note 15 : PROVISIONS	Non Current	Non Current	Current	Current
	(Amount in Rs )	(Amount in Rs )	(Amount in Rs )	(Amount in Rs )
	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
(a) Provision for employee benefits:				
(i) Provision for Gratuity (Net)	1,356,020	1,432,747	2,455,008	2,455,008
(ii) Provision for Leave Encashment	845,131	871,775	297,934	297,934
<b>Total</b>	<b>2,201,151</b>	<b>2,304,522</b>	<b>2,752,942</b>	<b>2,752,942</b>
(b) Others				
(i) Provision for Income tax ( net)	-	-	1,700,000	1,700,000
<b>Total</b>	<b>-</b>	<b>-</b>	<b>1,700,000</b>	<b>1,700,000</b>
Note 17 : TRADE PAYABLES	Non Current	Non Current	Current	Current
	(Amount in Rs )	(Amount in Rs )	(Amount in Rs )	(Amount in Rs )
	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
Carried at amortised cost				
Trade payables:				
Acceptances	-	-	-	-
Other than Acceptances	-	-	130,460,891	131,050,234
<b>Total</b>	<b>-</b>	<b>-</b>	<b>130,460,891</b>	<b>131,050,234</b>
Note 18: OTHER FINANCIAL LIABILITIES	Non Current	Non Current	Current	Current
	(Amount in Rs )	(Amount in Rs )	(Amount in Rs )	(Amount in Rs )
	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
(a) Current maturities of long-term debt	-	-		
(b) Interest accrued and due on borrowings including overdue Principle	-	-	443,437,530	443,437,528
(c) Unpaid dividends (The Company has not been able to transfer the amt to Investor Education & Protection Fund as the Dividend Bank Account has been attached)	-	-	96,523	96,523
(d) Unpaid matured Public deposits and interest accrued thereon	-	-	186,839,755	165,983,951
(e) Trade / security deposits received	-	-	730,000	730,000
(f) Others	-	-	83,030,271	77,716,614
(g) Contractually reimbursable expenses	-	-	22,383,355	18,700,051
(h) Payables on purchase of fixed assets	-	-	1,167,436	1,167,436
(i) Provision for Contingencies and Unforeseen Losses	-	-	296,855,903	166,032,135
(j) Amount due to Edelweiss ARC - Assistance for CIRP Process	-	-	11,336,439	-
(k) Amounts received from Resolution Applicant under CIRP Process-EMD and for other purposes	-	-	72,500,000	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>1,118,377,212</b>	<b>873,864,237</b>
Note 19 : OTHER LIABILITIES	Non Current	Non Current	Current	Current
	(Amount in Rs )	(Amount in Rs )	(Amount in Rs )	(Amount in Rs )
	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
(a) Advances received from customers	-	-	10,179,123	10,638,963
(b) Statutory dues	-	-	390,418,080	391,283,941
<b>Total</b>	<b>-</b>	<b>-</b>	<b>400,597,203</b>	<b>401,922,904</b>
	-	-	1,518,974,414.99	1,275,787,141.55

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

Note 16 : BORROWINGS		Non Current	Non Current	Current	Current
Secured		Amount in Rs	Amount in Rs	Amount in Rs	Amount in Rs
		As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
(i) Term Loan From Other parties Loan taken from Edelweiss Asset Reconstruction Company		-	-	-	-
(ii) Loans Repayable on Demand Cash Credit Arrangements from Banks		-	-	90,308,004	90,308,004
(iii) Others					
Unsecured					
(i) Public Deposits (Refer Note 18)		-	-	-	-
(ii) Inter-corporate Deposits		-	-	-	-
(iii) From related parties		-	-	-	-
(iv) From Others		-	-	131,235,857	131,635,857
(v) Buyers Credit arrangements		-	-	-	-
Others		-	-	-	-
Total		-	-	221,543,861	221,943,861
Secured Term Loan from Others					
Nature of Security				Terms of Repayment	
i) Term loan of Rs 29,96,10,091 (FY 2018-19 Rs 29,63,85,497/-) shown from M/s Edelweiss Asset Reconstruction Company Limited (EARC) . EARC has commenced legal proceedings for recovery of the dues and taking physical possession of the Factory Land, Building and Plant and Machinery . As the Loan amount is due as on 31.03.2018 & 31.03.2019 the whole Loan Outstanding as been disclosed under Note 8 . EARC is secured against mortgage of factory Land admeasuring 11,000 Sq.Mtrs and Building situated at Survey No. 259/10/1, 259/10/2, 259/10/3 and 259/11, Near Alok Rub Plant, Village Dadra, U.T.of Dadra, Nagar Haveli, District Silvassa and Hypothecation of Plant & Machinery of Value Added Glass manufacturing plant at Dadra U.T.of Dadra, Nagar Haveli, District Silvassa. The Credit facility is further secured by hypothecation of entire current assets of the company and personal Guarantees of : 1. Shri Amrut S. Gada 2. Shri Shantilal S. Gada 3. Shri Mitesh K. Gada				In view of the company defaulting in the payment of installments as agreed during the restructuring of company facilitated by EARC in Oct.2015. the whole of the loan amount outstanding is due as on 31.03.2019. and 31.03.2020	
NCLT admitted on 13.02.2019 in response to petition filed by Financial Creditor Edelweiss Asset Reconstruction Company Limited (EARC) u/s 7 of the Insolvency Code 2016 against Sejal Glass Limited (Corporate Debtor) for default in repayment of Principle and Interest thereon. And appointed Resolution Professional Prashant Jain on 23.04.2019 who succeeded Interim Resolution Professional Mr Rajender Kumar Girdhar appointed on 13.02.2019 . The appointment of the Resolution Professionals has been made to initiate Corporate Insolvency Resolution Process (CIRP) against Sejal Glass Limited-the Company and Corporate Debtor and the Board of the Company stands suspended. EARC has lodged a claim of Rs 44.63 crores which the Resolution Professional Mr Prashant Jain under the powers vested in him has admitted on 17.07.2019 on behalf on the Corporate Debtors. The Corporate Debtor has recieved an Bridge Loan of Rs 1 crore from EARC towards managing activities of the Corporate Debtor during CIRP Period . The amount including interest has been disclosed in Note 18					
ii) Working capital Term loan of Rs 3,91,00,000/- (P.Y Rs 3,91,00,000/-) of SICOM Investments & Finance Ltd (SIFL) is secured against Subservient charge on the Fixed Assets and Current Assets of the Company situated at Factory at Plot No.259/10/1, Village Dadra, Union Territory of Dadra, Nagar Haveli, District Silvassa. The credit facility is further secured by Irrevocable Personal Guarantees of Shri Amrut S.Gada and Shri Mitesh K.Gada Interest and advisory fee are unpaid since July 2015.SIFL has initiated recovery proceeding against the Company for recovery of amount due . SIFL has also filed a case u/s 138 of the Negotiable Instuments Act for dishonour of Security Cheques . Principle Amount due Rs 3,91,00,000 (P.Y Rs 3,91,00,000) as on 31st March, 2020 is disclosed under Note 18				The credit facilities is valid for a maximum period of five years from the date of first disbursement i.e. March 2020, subject to yearly renewal. However, in case the credit facility is not renewed at the end of first year from the date of first disbursement, the entire outstanding amount of the credit facility shall be repayable together with interest accrued thereon. Rate of interest is 18% p.a. . However the whole of the Loan amount outstanding is due as on 31.03.2019 as well as 31.03.2020	
iii) Public Deposits are subject to reconciliation with the records maintained by Registrar - Link Intime India Private Limited. Further, Interest on these deposits are provided on ad hoc basis. As Principle and Interest Amounts are over due amounts are disclosed under Note					
iv) Instalments falling due in respect of all the above Loans within a period of 12 months and not having an unconditional right as on the Balance Sheet date to defer its settlement for 12 months after the reporting date have been grouped under “Current maturities of long-term debt” (Refer Note 18)					
Nature of Security - Short Term Borrowings from Bank					
a) Cash Credit Arrangement of Rs. 1,46,11,828/- ( FY 2018-19 Rs 1,46,11,828/-) from Bank of Maharashtra is secured against: Registered/Equitable mortgage of property situated at 7th Floor, 173/174 , Sejal Encasa, S V Road,Kandivali (West),Mumbai-400 067 , has been auctioned by the bank for Rs. 3,40,00,000/- on 06.4.2018.the proceeds has been appropriated against amount due to Bank of Maharashtra. The Balance Amount due Rs 1,46,11,828 being Unsecured in classified under Note 18(b).					
b) Working Capital Facility of Rs.9,03,08,004/- (PY Rs 9,03,08,004 ) from Punjab National Bank is secured against:					
1. Primary Security - Hypothecation of entire current assets of the company					
2. Collateral - Mortgage of property situated at 3rd Floor, 173/174 , Sejal Encasa,S V Road, Kandivali (West), Mumbai-400 067.					
Punjab National Bank had lodged claim under CIRP Process for Rs 21.15 crores which has been accepted by RP Prashant Jain on 17.07.2019					
The Company had defaulted in repayment of Principle and Interest on Term Loan and Interest on Cash Credit facility during FY 2013-14.Hence State Bank of Patiala, Punjab National Bank and Bank of Maharashtra have classified the Advances as Non Performing Assets. These banks have initiated proceeding under Section 13(2) and 13(4) under the SARFAESI Act, 2002. State Bank of Patiala(SBP) had assigned the outstanding amount of the credit facility as on 12th June, 2014 to Edelweiss Asset Reconstruction Company Limited (EARC).The EARC on 8th January,2016 has restuctured the Loan amount assigned by State Bank of Patiala. EARC has filed petition to NCLT for recovery of its dues which has been admitted on 13.02.2019 and CIRP is in process.					

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Note 20 : REVENUE FROM OPERATIONS</b>	<b>Amount in Rs</b>	<b>Amount in Rs</b>
(a) Sale of products	34,593,958	80,290,821
(b) Excise duty Collected	-	-
(c) Other operating revenues (Refer Note (ii) below)	2,563,748	5,098,949
<b>Total</b>	<b>37,157,706</b>	<b>85,389,770</b>
<b>(i) Manufactured goods (Net of Excise Duty)</b>		
Toughened Glass	13,488,327	24,417,440
Insulating Glass	8,268,080	6,737,238
Laminated Glass	11,580,010	47,643,447
Others	1,257,541	1,159,775
<b>Total - Sale of Manufactured Goods</b>	<b>34,593,958</b>	<b>79,957,900</b>
<b>Traded goods</b>		
Furniture	-	-
Lights	-	-
Sanitaryware & CP Fittings	-	332,922
Tiles	-	-
Glass	-	-
Others	-	-
<b>Total - Sale of traded goods</b>	<b>-</b>	<b>332,922</b>

<b>(i) Total - Sale of products</b>	<b>34,593,958</b>	<b>80,290,821</b>
<b>(ii) Other operating revenues comprise:</b>		
Others	2,563,748	5,098,949
<b>(ii) Total - Other operating revenues</b>	<b>2,563,748</b>	<b>5,098,949</b>

<b>Note 21 : OTHER INCOME</b>	<b>As at 31st March, 2020</b>	<b>As at 31st March, 2019</b>
	<b>Amount in Rs</b>	<b>Amount in Rs</b>
(a) Interest income (Refer Note (i) below )	2,015,892	4,265,376
(b) Other non-operating income (net of expenses directly attributable to such income)	-	993,741
<b>Total</b>	<b>2,015,892</b>	<b>5,259,117</b>
<b>(i) Interest income comprises:</b>		
Interest on Bank Deposits	1,176,189	100,907
Interest on loans and advances	-	1,125,000
Interest on overdue trade receivables	839,703	3,039,469
Interest Others	-	-
<b>Total - Interest income</b>	<b>2,015,892</b>	<b>4,265,376</b>
<b>(ii) Other non-operating income comprises:</b>		
Miscellaneous income-Sundry Balances Written Back	-	993,741
<b>Total - Other non-operating income</b>	<b>-</b>	<b>993,741</b>

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Note 22 : COST OF RAW MATERIAL CONSUMED</b>	<b>Amount in Rs</b>	<b>Amount in Rs</b>
Opening stock	4,174,152	9,818,624
Add: Purchases	26,804,700	59,961,275
	<b>30,978,852</b>	<b>69,779,899</b>
Less: Closing stock	3,878,905	4,174,152
Labour Cost	338,808	580,558
<b>Cost of material consumed</b>	<b>27,438,755</b>	<b>66,186,305</b>

<b>Note 23 : PURCHASE OF TRADED GOODS</b>		
Sanitary Ware	-	-
Ceramic tiles	-	-
Glass	-	-
Other items	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

<b>Note 24 : CHANGE IN INVENTORY OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE</b>		
<b>Inventory at the end of the period:</b>		
Finished goods	819,420	316,342
Work-in-progress	1,736,250	109,506
Stock-in-trade	560,650	560,650
	<b>3,116,320</b>	<b>986,498</b>
<b>Inventory at the beginning of the year:</b>		
Finished goods	316,342	459,530
Work-in-progress	109,506	1,318,073
Stock-in-trade	560,650	10,519,066
	<b>986,498</b>	<b>12,296,669</b>
<b>Net (Increase) / Decrease</b>	<b>(2,129,822)</b>	<b>11,310,171</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

<b>Note 25 EMPLOYEE BENEFIT EXPENSE</b>		
Salaries and Wages	26,692,608	31,400,113
Contributions to provident and other funds	860,405	1,063,251
Staff welfare expenses	790,250	2,015,729
<b>Total</b>	<b>28,343,263</b>	<b>34,479,093</b>
<b>Note 26 FINANCE COSTS</b>		
(a) Interest expense on:		
(i) Borrowings	22,340,736	21,652,009
(ii) Others		
- Interest on delayed payment of taxes	-	-
(b) Bank Charges	<b>72,273</b>	289,888
(c) Other borrowing costs	-	-
<b>Total</b>	<b>22,413,009</b>	<b>21,941,897</b>

<b>Note 27 OTHER EXPENSES</b>	<b>As at 31st March, 2020</b>	<b>As at 31st March, 2019</b>
<b>Particulars</b>	<b>Amount in Rs</b>	<b>Amount in Rs</b>
Power and Fuel	9,650,226	11,157,830
Rent including lease rentals	1,826,912	1,850,500
Repairs and maintenance - Buildings	25,628	113,518
Repairs and maintenance - Machinery	918,234	549,432
Repairs and maintenance - Others	118,431	257,090
Insurance	133,966	33,189
Rates and taxes	195,488	339,688
Communication	83,219	300,546
Travelling and conveyance	168,710	654,234
Printing and stationery	159,628	498,385
Freight and forwarding	1,164,100	2,578,522
Sales commission	-	30,469
Donations and contributions	-	36,000
Legal and professional	135,241	2,363,265
Payment to Auditors-Statutory Audit Fees	325,000	500,000
Bad Debts, Loans and Advances written off	852,702	15,418,300
Loss on Sale of Fixed Assets	-	5,753
Corporate Insolvency Resolution Process Expenses	8,943,969	-
Advertisement & Sales Promotion	4,080	82,911
Miscellaneous expenses	1,547,277	3,523,983
<b>Total</b>	<b>26,252,811</b>	<b>40,293,614</b>
(i) Payment to the auditors includes (net of service tax input credit, wherever applicable)		
As auditors - Statutory Audit	<b>275,000</b>	425,000
For Tax Audit	<b>50,000</b>	75,000
For other services	-	-
<b>Total</b>	<b>325,000</b>	<b>500,000</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

## Note 28 : ADDITIONAL INFORMATION TO FINANCIAL STATEMENTS

## 28.1 Investment in Un Quoted Securities

The Company has invested in 4,000 Equity Shares of Rs 10 each fully paid amounting to Rs.50,00,000/- in Shakti Banquet Pvt.Ltd. The Company has not received the audited financial statements from the year ended 31st March, 2019 and hence the fair value of shares cannot be estimated.

## 28.2 Contingent liabilities and commitments (to the extent not provided for)

Particular	As at 31st March, 2020	As at 31st March, 2019
	Rs	Rs
(i) Claims by parties towards damages	5,893,917	5,893,917
(ii) Demand by Income tax Department Under Appeal	932,760,225	126,232,488
(iii) Penalty paid to GIDC under protest	13,972,689	13,972,689
(iv) Penalty and Tax Demand by Sales tax Department (Under Appeal)	40,066,842	40,066,842
(v) Demand from Income Tax Department toward Short Deduction , Interest on Late Payment of TDS and Late Filing Fee	18,730,998	18,730,998
(vi) Service Tax and Penalty Demand for incorrect availment of CENVAT Credit (Under Appeal)	12,865,672	12,865,672
(vii) Excise Duty Demand under Appeal with Customs Excise & Service Tax Appellate Tribunal	4,500,000	4,500,000
(viii) Excise Duty Demand (EPCG) (Under Appeal)	3,847,812	3,847,812
(ix) Penal Interest Payable to Shakti International Ltd	2,681,234	2,681,234
(x) Penal Interest Payable to SICOM Ltd	1,955,000	1,955,000
(xi) Suit Filed against the Company not acknowledged as Debt-Refer note below	28,575,817	86,191,987
<b>Total</b>	<b>1,065,850,206</b>	<b>316,938,639</b>

Resolution Professional has on 17.07.2019 accepted claim of Rs 5.76 crores of Paisalo Digital Limited Formerly known as S E Investment Private Limited) hence Rs 5.76 crores is no longer Suit Filed against the Company not acknowledged as Debt. However provision for debt has not been made in the Books of Accounts

The Company has not provided Interest on Edelweiss Asset Reconstuction Company (EARC) for F Y 2017-18 and F Y 2018-19. EARC has lodged a claim of Rs 44.63 crores which has been admitted by Resolution Professional Mr Prashant Jain on 17.07.2019 Balance as per Books of Accounts is Rs 29.96 crores. The difference represents Interest not provided by the Company/Interest provided by the Company at lower rate of Interest and TDS deducted by the Company but not paid and hence not accepted by EARC. The difference of Rs 14.67 crores has not been accounted in the Books of Accounts.

As per the Code, Resolution Professional has completed the process of recieving, collating, verifying and admitting all the admissible claims submitted by the Creditors and Employees of the Company on 17.07.2019 . However; pending the completion of the process , the impact of such claims of Rs 55.94 crores ,have not been considered in the preparation of financial statements. Amount of Rs 55.94 crores includes amount of Rs 5.76 crores and Rs 14.67 crores stated above. The Statutory Auditor has qualified his report on this point stating that Loss for the Year is understated and Reserves and Surplus are overstated to the extent of Rs 55.94 crores

## 28.3 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

The Company is in the process of confirming with its suppliers regarding their status as Micro and Small Enterprises as defined under "Micro, Small and Medium Enterprises Development Act, 2006". Since the relevant information is presently not available, necessary disclosures relating to principle amount and interest paid /payable to Micro and Small Enterprises have not been made in these accounts.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

## 28.4 Value of imports calculated on CIF basis :

Particulars	As at 31st March, 2020	As at 31st March, 2019
	Rs	Rs
Raw materials	-	-
Spare parts	-	-
Capital goods	-	-

## Note 28 ADDITIONAL INFORMATION TO FINANCIAL STATEMENTS

Particulars	For the Year Ended 31st March, 2020	For the Year Ended 31st March, 2019
	Rs	Rs
28.5 Expenditure in foreign currency:		
Professional / Consultancy Fees	-	-
Travelling Expenses	-	-
Repairs & Maintenance	-	-
Interest on FCNR Loans	-	-
Loss due to Exchange Rate Fluctuation	-	-
Bad Debts	-	-

Details of consumption of imported and indigenous material (Including Consumables stores)	For the Year Ended 31st March, 2020	
	Rs	Rs
Imported	-	-
	-	-
Indigenous	27,438,755	100.00
	(66,186,304)	(100.00)
Total	27,438,755	100.00
	(66,186,304)	(100.00)

Note: Figures / percentages in brackets relate to the previous year

Earnings in foreign exchange :	For the year ended 31st March, 2020	For the year ended 31st March, 2019
	Rs	Rs
FOB Value of Exports	-	-
Gain due to Exchange Rate Fluctuation	-	-

## 28.8 Trade Receivables, Loans and Advances and Trade Payables:

The Balances of Sundry Debtors, Sundry Creditors, Intercompany Deposits and Loans and Advances are subject to confirmation.

## 28.9 In the absence of convincing evidence assuring future taxable income, the company has not made provision for deferred tax asset.

## 28.10 The Financials of the Company have been prepared on a going concern basis as the Company expects to successfully sail through the Corporate Insolvency Resolution Process.

## 28.11 Previous years figures are regrouped &amp; rearranged wherever necessary.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

## Note 29 : DISCLOSURE UNDER ACCOUNTING STANDARDS

## Note Particulars

## 29.1 Employee benefit plans

## 29.1.a Defined contribution plans

The Company makes Provident Fund contributions in respect of all the qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs 8,12,721/- (Year Ended 31 March, 2019 Rs 9,61,059/-) for Provident Fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

29.1.b Defined benefit plans

The Company offers the following employee benefit schemes to its employees:

i. Gratuity

ii. Compensated Absences

The following table sets out the funded status of the defined benefit schemes and the amount recognised in the financial statements:

As the Company could not obtain actuarial valuation report of Gratuity and Leave Encashment, the Company has not complied with IND AS-19 Employee Benefits

Particulars	Year Ended 31st March, 2020		Year Ended 31st March, 2019	
	Gratuity	Compensated Leave Absence	Gratuity	Compensated Leave Absence
Components of employer expense				
Current service cost	-	-	-	-
Interest cost	-	-	-	-
Expected return on plan assets	-	-	-	-
Curtailement cost / (credit)	-	-	-	-
Settlement cost / (credit)	-	-	-	-
Past service cost	-	-	-	-
Actuarial losses/(gains)	-	-	-	-
Benefits paid	-	-	-	-
Total expense recognised in the Statement of Profit and Loss	-	-	-	-
Actual contribution and benefit payments for year				
Actual benefit payments	-	-	-	-
Actual contributions	-	-	-	-
Net asset / (liability) recognised in the Balance Sheet				
Present value of defined benefit obligation	-	-	-	-
Fair value of plan assets	-	-	-	-
Funded status [Surplus / (Deficit)]	-	-	-	-
Unrecognised past service costs	-	-	-	-
Net asset / (liability) recognised in the Balance Sheet	-	-	-	-

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

## Note 29 : DISCLOSURE UNDER ACCOUNTING STANDARDS (contd.)

Note	Particulars	Year Ended 31 March, 2019	Year Ended 31 March, 2019
		Gratuity	Gratuity
	<b>Change in defined benefit obligations (DBO) during the year</b>		
	Present value of DBO at beginning of the year	-	5,700,560
	Current service cost	-	-
	Interest cost	-	-
	Curtailment cost / (credit)	-	-
	Settlement cost / (credit)	-	-
	Plan amendments	-	-
	Acquisitions	-	-
	Actuarial (gains) / losses	-	-
	Past service cost	-	-
	Benefits paid	-	-
	Present value of DBO at the end of the year	-	-
	<b>Change in fair value of assets during the year</b>		
	Plan assets at beginning of the year	-	119,395
	Acquisition adjustment	-	-
	Expected return on plan assets	-	-
	Actual company contributions	-	-
	Actuarial gain / (loss)	-	-
	Benefits paid	-	-
	Plan assets at the end of the year	-	-
	Actual return on plan assets	-	-
	<b>Composition of the plan assets is as follows:</b>		
	Others (Insurer Managed Funds)	-	-
	<b>Actuarial assumptions</b>		
	Discount rate	0.00%	0.00%
	Expected return on plan assets	0.00%	0.00%
	Salary escalation	0.00%	0.00%
	Estimate of amount of contribution in the immediate next year	-	-

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

## Note 29 : DISCLOSURE UNDER ACCOUNTING STANDARDS (contd.)

## Note Experience adjustments

Particulars	FY 2019-20	FY 2018-19
<b>Gratuity</b>		
Present value of DBO	-	-
Fair value of plan assets	-	-
Funded status [Surplus / (Deficit)]	-	-
Experience gain / (loss) adjustments on plan liabilities	-	-
Experience gain / (loss) adjustments on plan assets	-	-

Actuarial assumptions for long-term compensated absences	Year Ended 31 March, 2020	Year Ended 31 March, 2019
Discount rate	0.00%	0.00%
Expected return on plan assets	0.00%	0.00%
Salary escalation	0.00%	0.00%

## Attrition

The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the

The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

The Expected Rate of Return on Plan Assets is based on expectations of the average long term rate of return expected on the investments of the fund during the estimated term of obligations.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

## Note 29 Disclosures under Accounting Standards (contd.)

## Note Related Party Transactions

## 29.2.a Details of related parties:

	Description of relationship	Names of related parties	Transactions entered during the Year
	Subsidiary Company (Upto 19.11.2014)	Sejal Bluecity Developers Pvt Ltd	No
	Subsidiary Company (Upto 19.11.2014)	Sejal Bluecity Realtors Private Limited	No
	Subsidiary Company (Upto 19.11.2014)	Sejal Bluecity Buildcon Private Limited	No
	Associate Company	Sejal Firebaan Glass Private Ltd	No
	Company in which KMP / Relatives of KMP can exercise significant influence	Sejal Arjuna Realty Pvt Ltd	No
	Company in which KMP / Relatives of KMP can exercise significant influence	Bonanza Float Glass Pvt Ltd	No
	Company in which KMP / Relatives of KMP can exercise significant influence	Synergy Wood & Glass Pvt Ltd	Yes
	Company in which KMP / Relatives of KMP can exercise significant influence	Sejal Entertainment & Media India Ltd.	Yes
	Company in which KMP / Relatives of KMP can exercise significant influence	Sejal Finance Ltd	No
	Company in which KMP / Relatives of KMP can exercise significant influence	Sejal Glass Craft Pvt. Ltd.	No
	Company in which KMP / Relatives of KMP can exercise significant influence	Sejal Glass House (Proprietor Amrut Gada)	Yes
	Company in which KMP / Relatives of KMP can exercise significant influence	Sejal Insurance Broking Ltd	No
	Company in which KMP / Relatives of KMP can exercise significant influence	Sejal International Ltd	No
	Company in which KMP / Relatives of KMP can exercise significant influence	Sejal Realty and Infrastructure Ltd.	No
	Company in which KMP / Relatives of KMP can exercise significant influence	Inventure Sejal Realtors Pvt Limited	No
	Company in which KMP / Relatives of KMP can exercise significant influence	Sejal Infraprojects Pvt Ltd	No
	Company in which KMP / Relatives of KMP can exercise significant influence	Primera Vista Lifestyle Pvt Ltd	No
	Company in which KMP / Relatives of KMP can exercise significant influence	Jaycee Sejal Developers Pvt Ltd	No
	Company in which KMP / Relatives of KMP can exercise significant influence	Brizeal Realtors & Developers Pvt Ltd	No
	Company in which KMP / Relatives of KMP can exercise significant influence	Harsh Enterprises	No
	Company in which KMP / Relatives of KMP can exercise significant influence	Hitankshi Glass House	No
	Company in which KMP / Relatives of KMP can exercise significant influence	Sejal Wealth and Advisors Limited	No
	Company in which KMP / Relatives of KMP can exercise significant influence	Sejal Shakti Realtors Limited	No
	Company in which KMP / Relatives of KMP can exercise significant influence	Navratna Glass Gallery	No
	Company in which KMP / Relatives of KMP can exercise significant influence	Dhiraj S. Gada	No
	Company in which KMP / Relatives of KMP can exercise significant influence	Shantilal Gada	No
	Key Management Personnel (KMP)	Amrut S. Gada	No
	Key Management Personnel (KMP)	Mitesh K Gada	No
	Key Management Personnel (KMP)	Ashwin Shetty	No

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

## Note 29 Disclosures under Accounting Standards (contd.)

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

## 29.2.b a) Sale / Purchase of Goods, Services And Fixed Assets for the year ended 31st March 2020

Particulars	Purchase of goods	Sale of goods	Receiving of services	Leasing or hire purchase arrangements
	₹	₹	₹	₹
<b>Company in which KMP / Relatives of KMP can exercise significant influence</b>				
Sejal International Limited	-	-	-	-
	(-)	(-)	(-)	(-)
Sejal Realty & Infrastructure Ltd	-	-	-	-
	(-)	(-)	(-)	(-)
Sejal Finance Ltd	(-)	-	-	-
	(20,000)	(-)	(-)	(-)
Sejal Entertainment & Media India Ltd	-	-	-	-
	(-)	(-)	(-)	(-)
Sejal Glass House	-	-	-	-
	(-)	(-)	(-)	(-)
Sejal Insurance Broking Limited	-	-	-	-
	(-)	(-)	(-)	(-)
Brizeal Realtors & Developers Pvt Ltd	-	-	-	-
	(-)	-	(-)	(-)
Synergy Wood & Glass Pvt Ltd	(-)	(-)	-	-
	(-)	(513,206)	(-)	(-)
Sejal Shakti Realtors Ltd	-	-	-	-
	(-)	(-)	(-)	(-)
Inventure Sejal Realtors Pvt Ltd	(-)	(-)	-	-
	(-)	(103,367)	(-)	-
<b>Key Management Personnel</b>				
Amrut Gada - Proprietor of Sejal Glass House	279,701	1,195,219	-	-
	(199,015)	(487,198)	(-)	(-)
Dhiraj Gada	-	-	-	-
	(-)	(-)	(-)	(-)
Shantibhai Gada	-	-	-	-
	(-)	(-)	(-)	(-)
<b>b) Loans and Advances Given / Taken / Repaid during the year</b>				
Particulars	Loans Given	Repayment received (of loans given) during the year		
	₹	₹		
Loans & Advances Made and Repayment thereof				

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

	-	
Sejal Entertainment & Media India Ltd	(-)	(666,000)
	(-)	(-)
Sejal Fireban Glass Private Limited	(40,835)	(-)
	-	-
Primera Vista Lifestyle Ltd.	(-)	(-)
	-	-
Inventure Sejal Realtors Pvt Ltd	(-)	(-)
	-	-
Sejal Insurance Broking Limited	(-)	(-)
		-
Harsh Enterprises	(-)	(-)
	-	-
Brizeal Realtors and Developers Private Limited	(-)	(-)
	(-)	(-)
Synergy Wood & Glass Ltd	(25,783)	(-)
	(-)	(-)
Amrut Gada (Sejal Glass House)	691,889	(-)
<b>Inter Corporate Deposits Made</b>		
	(-)	(-)
Sejal Finance Ltd	(-)	(17,850,598)
	-	-
Sejal International Ltd		(-)
	(-)	
Sejal Realty & Infrastructure Ltd	(-)	(-)

## c) Management contracts including for deputation of employees

Particulars	31st March, 2020	31st March, 2019
<b>Directors Remuneration</b>	<b>Rs</b>	<b>Rs</b>
Amrut S Gada	-	-
Mitesh K Gada	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
	<b>31st March, 2020</b>	<b>31st March, 2019</b>
<b>Remuneration to KMP</b>	<b>Rs</b>	<b>Rs</b>
Ashwin Shetty	3,600,000	3,600,000
<b>Total</b>	<b>3,600,000</b>	<b>3,600,000</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

## Note 29 Disclosures under Accounting Standards (contd.)

## Balances Outstanding as on the Reporting Date

Particulars	31st March, 2020	31st March, 2019
	Rs	Rs
<b>Investments</b>		
Sejal Firebaan Glass Private Limited	5,000,000	5,000,000
Sejal Arjuna Realty Pvt Ltd	20	20
Sejal Bluecity Realtors Private Limited	1,000	1,000
<b>Total</b>	<b>5,001,020</b>	<b>5,001,020</b>
<b>Short Term Loans &amp; Advances Given</b>		
Sejal Entertainment and Media India Limited	8,321,614	8,321,614
Sejal Glass House	-	-
Primera Vista Lifestyle Pvt Ltd	1,404,073	1,404,073
Inventure Sejal Realtors Pvt Ltd	1,521,396	1,521,396
Harsh Enterprises	8,635,290	8,635,290
Sejal Realty & Infrastructure Limited	100,542	100,542
Sejal Finance Ltd	231,090	231,090
Sejal International Limited	18,803,070	18,803,070
<b>Sejal Entertainment and Media India Limited-Refer CIRP Payables below</b>	<b>10,413,725</b>	<b>10,336,724</b>
Sejal Glass Craft Private Limited	19,783,035	19,783,035
Sejal Realty & Infrastructure Limited	174,516,853	174,516,853
<b>Total</b>	<b>243,730,688</b>	<b>243,653,687</b>
<b>Trade Receivables</b>		
Brizeal Realtors & Developers Pvt Ltd	95,419	95,419
Hitankshi Glass	425,849	425,849
Synergy Wood and Glass Private Limited	-	175,000
Sejal Glass House - Prop. Amrut Gada	10,577,389	13,370,169
Sejal International Ltd	15,646,688	15,646,688
Primera Vista Lifestyle Ltd	9,250,911	9,250,911
Sejal Realty & Infrastructure Limited	89,256	89,256
Sejal Entertainment & Media India Limited	69,760	69,760
<b>Total</b>	<b>36,155,272</b>	<b>38,948,052</b>
<b>Trade Payables</b>		
Sejal Glass House - Prop. Amrut Gada	1,202,059	922,358
Sejal Entertainment & Media India Limited	42,974	42,974
Sejal Infraprojects Pvt Ltd	1,161,170	1,161,170
Sejal Finance Limited	20,000	20,000
<b>Total</b>	<b>2,426,203</b>	<b>2,146,502</b>
<b>Other Payables-CIRP</b>		
Sejal Entertainment and Media India Limited	2,526,259	-

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

## Note 29 Disclosures under Accounting Standards (contd.)

## Balances Outstanding as on the Reporting Date

Particulars	31st March, 2020	31st March, 2019
<b>Advance to Suppliers</b>	<b>Rs</b>	<b>Rs</b>
<b>Advance to Suppliers</b>	-	-
Sejal Entertainment & Media India Pvt Ltd	-	-
Sejal Wealth and Advisors Limited	-	-
Sejal Firebaan Glass Pvt Limited	2,429,848	2,429,848
<b>Total</b>	<b>2,429,848</b>	<b>2,429,848</b>
<b>Sundry Receivables</b>		
Synergy Wood and Glass Private Limited	18,790,825	18,766,982
<b>Total</b>	<b>18,790,825</b>	<b>18,766,982</b>
<b>Trade/Security Deposit Received</b>		
Sejal Glass House - Prop. Amrrut Gada (Security Deposit Taken/Recieved)	25,000	25,000
<b>Other Payable</b>		
Sejal International Ltd	4,595,932	4,595,932
<b>Advance taken from Customer-CIRP</b>		
Synergy Wood and Glass Private Limited	926,071	-

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

## Note 29 : DISCLOSURE UNDER ACCOUNTING STANDARDS (contd.)

Note	Particulars	For the Year Ended 31st March, 2020	For the Year Ended 31st March, 2019
			₹
	<b>Earnings per share</b>		
29.3a	<b>Basic</b>		
	Net profit / (loss) for the year attributable to the equity shareholders	(215,029,067)	(146,590,309)
	Weighted average number of equity shares	33,550,000	33,550,000
	Par value per share	10	10
	Earnings per share - Basic	(6.41)	(4.37)
29.3b	<b>Basic (excluding extraordinary items)</b>		
	<u>Continuing operations</u>		
	Net profit / (loss) for the year attributable to the equity shareholders, excluding extraordinary items	(215,029,067)	(146,590,309)
	Weighted average number of equity shares	33,550,000	33,550,000
	Par value per share	10	10
	Earnings per share , excluding extraordinary items - Basic	(6.41)	(4.37)
29.3d	<b>Total operations</b>		
	Net profit / (loss) for the year attributable to the equity shareholders, excluding extraordinary items	(215,029,067)	(146,590,309)
	Weighted average number of equity shares	33,550,000	33,550,000
	Par value per share	10	10
	Earnings per share, excluding extraordinary items - Basic	(6.41)	(4.37)
29.3c	<b>Diluted</b>		
	The diluted earnings per share has been computed by dividing the Net Profit After Tax available for Equity Shareholders by the weighted average number of equity shares, after giving dilutive effect of the outstanding Warrants, Stock Options and Convertible bonds for the respective periods.		
	Profit / (loss) attributable to equity shareholders from continuing operations (on dilution)	(215,029,067)	(146,590,309)
	Weighted average number of equity shares for Basic EPS	33,550,000	33,550,000
	Add: Effect of warrants, ESOPs and Convertible bonds which are dilutive		-
	Weighted average number of equity shares - for diluted EPS	33,550,000	33,550,000
	Par value per share	10	10
	Earnings per share,- Diluted	(6.41)	(4.37)
29.3d	<b>Diluted (excluding extraordinary items)</b>		
	Profit / (loss) attributable to equity shareholders (on dilution)	(215,029,067)	(146,590,309)
	Weighted average number of equity shares for Basic EPS	33,550,000	33,550,000
	Add: Effect of Warrants, ESOPs and Convertible bonds which are dilutive		-
	Weighted average number of equity shares - for diluted EPS	33,550,000	33,550,000
	Par value per share	10	10
	Earnings per share, excluding extraordinary items - Diluted	(6.41)	(4.37)

## Independent Auditor's Report

To the Members of SEJAL GLASS LIMITED

**Report on the Audit of Consolidated Ind AS Financial Statements**

**Corporate Insolvency Proceedings as per Insolvency and Bankruptcy Code, 2016 (IBC)**

The Hon'ble National Company Law Tribunal ("NCLT"), Mumbai by order dated **13<sup>th</sup> February, 2019** admitted the **Corporate Insolvency Resolution Process ("CIRP")** application filed against Sejal Glass Limited on petition filed by Edelweiss Asset Reconstruction Company ("EARC") a financial creditor and appointed Shri Rajendra Kumar Girdhar Registration Number [IBBI/IPA-003/IP-N00048/2017-18/10396] as Interim Resolution Professional("IRP") to carry out functions as mentioned under Insolvency & Bankruptcy Code, 2016.

The appointment was made pursuant to the Petition filed u/s 7 of Insolvency & Bankruptcy Code, 2016 (**I&B Code**) by Edelweiss Asset Reconstruction Co. Limited, Financial Creditor or Petitioner against Sejal Glass Ltd. (earlier known as Sejal Glass Limited), Corporate Debtor to initiate Corporate Insolvency Resolution Process (**CIRP**) against the Corporate Debtor on the ground that as on 10.05.2018, the Corporate Debtor has defaulted in repaying the debt amount i.e. Rs 40,49,72,485/-. The date of default in repayment of the debt by the Corporate Debtor as stated by the petitioner is 13.10.2016.

The Petitioner, as Trustee of the Edelweiss Asset Reconstruction Company Trust SC-42, entered into an assignment agreement with State Bank of Patiala on 26.06.2014, wherein it got assigned the impugned loans disbursed by the assignor to the Corporate Debtor. The said assignment agreement is annexed with the petition.

In response to application number MA 1324/2019 filed by the Committee of Creditors, NCLT, Mumbai vide its order dated 23<sup>rd</sup> April, 2019 has accepted the proposal to appoint Mr. Prashant Jain as Resolution Professional.

As per Section 134 of the Companies Act, 2013, the financial statements of a Company are required to be authenticated by the Chairperson of the Board of Directors, where authorized by the Board or at least two directors, of which one shall be the managing director or CEO (being a Director), the CFO and the Company Secretary where they are appointed. Under IBC 2016, such powers shall vest the Resolution Professional Mr. Prashant Jain.

The Resolution Professional invited Expression of Interest from the prospective bidders for submission of Resolution Plans for revival of the Company. In terms of provisions of the Insolvency and Bankruptcy Code, 2016 (IBC) the resolution plan submitted by Prospective Resolution Applicant has been approved by the Committee of Creditors (COC) of the company in its COC meeting and identified as a successful resolution applicant.

The Hon'ble NCLT, Mumbai bench, has in the hearing held on July 02, 2020 after hearing the parties concerned have now reserved it for orders and the order is awaited.

## Opinion

We have audited the accompanying Consolidated Ind AS financial statements of SEJAL GLASS LIMITED (hereinafter referred to as "the Parent") and its Joint Venture (the Parent and its Joint Venture together referred to as "the Group"), comprising the Consolidated Balance Sheet as at 31st March, 2020, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Statement of Changes in Equity, for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "**the Consolidated Ind AS financial statements**"), **in which are incorporated on the basis of Management Certified Financials for the year ended on that date of the Sejal Firebaan Glass Private Limited :**

In our opinion and to the best of our information and according to the explanations given to us, *except for the matters mentioned in Para Basis for Qualified Opinion*, the aforesaid Consolidated Ind AS Financial Statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Standard prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rule, 2015, as amended ("Ind AS") and accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2020, the consolidated loss, consolidated total comprehensive income, consolidated change in the equity for the year ended on that date.

## **Basis for Opinion**

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing (As) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence & ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Companies Act, 2013 and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI'S Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

- 1. The Consolidated Financial Statements have been prepared in accordance with the Basic Fundamental Accounting Assumption of going concern. The National Company Law on 13<sup>th</sup> February, 2019 admitted petition u/s 7 of the Insolvency & Bankruptcy Code, 2016 filed by Financial Creditor/Petitioner against Sejal Glass Limited.**

**In case outcome of the Resolution Process is not favorable and the Company goes into Liquidation impact on the Financials cannot be ascertained.**

**The Resolution Professional invited Expression of Interest from the prospective bidders for submission of Resolution Plans for revival of the Company. In terms of provisions of the Insolvency and Bankruptcy Code, 2016 (IBC) the resolution plan submitted by Prospective Resolution**

Applicant has been approved by the Committee of Creditors (COC) of the company in its COC meeting and identified as a successful resolution applicant.

The Hon'ble NCLT, Mumbai bench, has in the hearing held on July 02, 2020 after hearing the parties concerned have now reserved it for orders and the order is awaited.

2. The Resolution Professional Mr. Prashant Jain has completed the process of receiving, collating, and verifying such claims and based on the final list dated 17.07.2019 we report that the Reserves and Surplus (Other Equity) are Overstated & Liabilities as stated in the Consolidated Financials are under stated as tabulated below as impact of the admitted liabilities has not been considered in preparation of the accompanying Audited Consolidated Financial Statements. Hence the Liabilities are understated to the extent and retained earnings are overstated to the extent of Rs 55.94 crores as given below.

As on 17.07.2019-Kindly refer note below

Particulars	Admissible /Admitted Amount (Rs.)	Liability as per Books of Accounts (Rs.)	Shortfall (Liabilities understated/ Reserves overstated) (Rs.)
Financial Creditors	1,13,75,39,434	77,36,13,356	36,39,26,078
Operational Creditors	7,26,24,309	6,17,69,849	1,08,54,460
Statutory Dues	25,50,26,780	7,03,79,555	18,46,47,225
Employee Dues	81,55,978	81,55,978	Nil
Deposit Holders Form CA (Refer Note Below)	2,02,22,000	*2,02,22,000	Nil
<b>Total</b>	<b>1,49,35,68,501</b>	<b>93,41,40,738</b>	<b>55,94,27,763</b>

**Note:**

During 01.04.2019 to 31.03.2020, the Parent Company has, pending approval of the Resolution plan has provided for Interest on Financial Creditors (except Interest on ICD Taken) and Public Deposit during the quarter end and hence Short fall not being material has not been separately computed.

\*In the aforesaid table, in respect of Admissible Admitted Amount and Liabilities as per Books, liability only respect of Forms Received has been stated as per Liability as per Books Column. This has been done to give a fair presentation. Total Amount payable on account of Principal and

payment to Public Fixed Deposit Holders as on 31st March, 2020 as per Books of Accounts is Rs 18.68 crores.

3. **Non Compliance of IND AS 19-Employee Benefits provision for retirement benefits relating to actuarial valuation of Gratuity and Leave Encashment.**
4. **Balances in ledgers of Sundry Receivables (Debtors), Sundry Payables (Creditors), Loans/Advances/Inter Corporate Deposits (other than Group Companies)/Security Deposits accepted and made/given are subject to confirmation and reconciliation.**
5. **Interest Expense payable on statutory dues has not been provided for in the Financial Statements from 01.04.2017 to 31.03.2020, amount of which cannot be ascertained.**
6. **The Parent Company has not provided for Interest Payable to Edelweiss for the FY 2017-18 and FY 2018-19. Edelweiss Asset Reconstruction Company Ltd (EARC) has lodged claim for Rs 44.63 crores which is the same as admissible amount as per Annexure "A" List of Creditors -claims as on 13th February, 2019 received upto 7th March, 2019. Amount payable to EARC as on 31st March, 2020 as per Books of Accounts is Rs 29.96 crores (Excluding CIRP Period Assistance).**
7. **The difference of Rs 14.67 crores represents the amount of Interest not provided by the Company and Interest provided by the Company at a lower rate of Interest and Concessions & Waiver withdrawn by EARC due to default in fulfilling the terms and conditions of the restructuring proposal.**

### **Information Other than the Consolidated Ind AS Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Reports, Business Responsibility Report, Corporate Governance and Shareholder's

Information, but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

Our opinion on the Consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

### **Management's Responsibility for the Consolidated Ind AS Financial Statements**

The Company's Board of Directors is responsible for matters stated in section 134(5) of the Act with respect to preparation of these Consolidated Ind AS Financial Statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, and statement of changes in equity of the Group including its in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group for preventing and detecting frauds and other irregularities; the selection and application of

appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, 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, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Parent, as aforesaid.

In preparing the Consolidated Ind AS Financial Statements, the respective Board of Directors of the Companies included in the Group are responsible for assessing the ability of the respective entities to continue as going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Companies included in group are also responsible for overseeing the financial reporting process of Group.

### **Auditor's Responsibility for the Audit of the Consolidated Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Consolidated Ind AS Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be

expected to influence the economic decisions of users taken on the basis of these Consolidated Ind AS Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast.
- Significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our

conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the Consolidated Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the Consolidated Financial Statements.
- Materiality is the magnitude of misstatements in the consolidated financial statements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonable knowledgeable user of the financial statements may be influenced.

We consider quantitatively materiality and quantitative factors in

- (i) Planning the scope of our audit work and in evaluating the results of our work; and in evaluating the results of our work; and
- (ii) To evaluate the effect of any identified misstatements in the financial statements

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably

be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

We believe that the audit evidence obtained by us and the audit evidence obtained by other auditors in terms of their reports referred to in sub-paragraphs (a) and (b) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

### **Emphasis of Matter**

There are no matters that need to be disclosed under Emphasis of Matter.

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

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **Annexure A** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable

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 of the aforesaid consolidated Ind AS financial statements.

- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept and proper returns adequate for the purposes of our audit have been received so far as it appears from our examination of those books, returns and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements and financial statements of Sejal Firebaan Glass Private Limited duly certified by Management.
- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act **Except to the extent mentioned in Basis on Opinion Para.**
- (e) All the Directors of Sejal Glass Limited as well as Sejal Firebaan Glass Private Limited are disqualified from being appointed as on 31<sup>st</sup> March, 2020 in terms of 164(2) of the Act.
- (f) With respect to other matters to be reported in the auditor's report in accordance with the requirement of section 197(16) of the Act, as amended. In our opinion and to the best of our information and according to the explanations given to us, the Company has not paid remuneration to its Directors and hence provision of section 197 of the Act are not applicable.
- (g) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditors' reports of the Parent company. Our report expresses an unmodified

opinion on the adequacy and operating effectiveness of the Parent's/ Joint Venture company's incorporated in India on internal financial controls over financial reporting on the operating effectiveness of the Parent's/ Joint Venture company's incorporated in India internal financial controls over financial reporting on the adequacy and operating effectiveness of the Parent's/ Joint Venture company's incorporated in India

(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 Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

1. The Parent Company is currently under Corporate Insolvency Resolution Process (CIRP) under Insolvency and Bankruptcy Code, 2016. Impact of the CIRP on financials of the Company cannot be ascertained now. Refer to Contingent Liabilities disclosed in Note 28.2 to the Financial Statements.

The Resolution Professional invited Expression of Interest from the prospective bidders for submission of Resolution Plans for revival of the Company. In terms of provisions of the Insolvency and Bankruptcy Code, 2016 (IBC) the resolution plan submitted by Prospective Resolution Applicant has been approved by the Committee of Creditors (COC) of the company in its COC meeting and identified as a successful Resolution applicant.

The Hon'ble NCLT, Mumbai bench, has in the hearing held on July 02, 2020 after hearing the parties concerned have now reserved it for Orders and the order is awaited.

2. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

3. The Parent Company has failed to transfer amount of unpaid dividend to the Investor Education and Protection Fund.

*For KSPM & Associates*

**Chartered Accountants**

**ICAI FRN: 104723W**

**CA Sanjay N Shah, Partner**

**ICAI Membership No.116251**

**UDIN: 20116251AAAACI6212**

**Place: Mumbai**

**Date: 31<sup>st</sup> July, 2020**

**ANNEXTURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN  
DATE ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS OF  
SEJAL GLASS 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 **SEJAL GLASS LIMITED** (herein referred to as 'the Parent') and its Joint Venture Sejal Firebaan Glass Private Limited as of 31 March 2020 in conjunction with our audit of the consolidated financial statement of the Company for the year ended on that date.

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

The respective Board of Directors of the Companies are 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 the 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 were 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 auditors' 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 the 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 and its Joint Venture have, 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 31st March 2020, 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 KSPM & Associates**

**Chartered Accountants**

**ICAI FRN: 104723W**

**CA Sanjay N Shah, Partner**

**ICAI Membership No.116251**

**UDIN: 20116251AAAACI6212**

**Place: Mumbai**

**Date: 31<sup>st</sup> July, 2020**

**SEJAL GLASS LIMITED**  
**BALANCE SHEET (CONSOLIDATED) AS AT 31ST MARCH, 2020**

ASSETS	Note No.	Consolidated Rs As at 31 March 2020	Consolidated Rs As at 31 March 2019
<b>Non-current assets</b>			
Property, Plant and Equipment	3A, 3B & 3C	320,637,531	345,567,270
Capital work-in-progress		29,230,195	29,230,195
<b>Financial assets</b>			
- Investments	4	5,193,671	5,193,671
- Loans and advances		-	-
- Others financial assets	5	-	-
- Bank balances	09	1,506,104	1,506,104
Deferred tax assets (Net)		-	-
- Other financial assets	10	24,776,014	24,653,245
Other non-current assets	6	403,788	403,788
<b>Subtotal</b>		<b>381,747,303</b>	<b>406,554,273</b>
<b>Current assets</b>			
Inventories	7	6,995,225	5,160,650
<b>Financial assets</b>			
- Investments		-	-
- Trade Receivables	8	42,330,820	41,395,945
- Cash and Cash equivalents	9	52,686,975	1,947,873
- Bank balances other than Cash and cash equivalents		-	-
- Other financial assets	10	26,754	1,630,617
- Loans and advances	11	30,059,933	30,382,932
Other current assets	12	34,998,099	34,707,327
<b>Subtotal</b>		<b>167,097,805</b>	<b>115,225,344</b>
Non-current assets classified as held for sale		-	-
<b>TOTAL ASSETS</b>		<b>548,845,108</b>	<b>521,779,616</b>
EQUITY AND LIABILITIES	Note No.	Consolidated Rs As at 31 March 2020	Consolidated Rs As at 31 March 2019
<b>Equity</b>		<b>Rs</b>	<b>Rs</b>
Equity Share capital	13	335,500,000	335,500,000
Other equity			
- Securities Premium	14	1,406,552,893	1,406,552,893
- General Reserve	14	892,955,450	892,955,450
- Retained earnings	14	(4,162,748,441)	(3,947,719,374)
- Revaluation Reserve	14	199,059,115	199,059,115
- Equity component of other financial instrument	14	(107,168)	(107,168)
<b>Other Equity</b>		<b>(1,664,288,151)</b>	<b>(1,449,259,084)</b>
<b>Total Equity</b>		<b>(1,328,788,151)</b>	<b>(1,113,759,084)</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
- Borrowings	16	-	-
- Other financial liabilities		-	-
Provisions	15	2,201,151	2,304,522
Deferred tax liabilities (Net)		-	-
Other non-current liabilities		-	-
<b>Subtotal</b>		<b>2,201,151</b>	<b>2,304,522</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
- Borrowings	16	221,543,861	221,943,861
- Trade payables	17	130,460,891	131,050,234
- Other financial liabilities	18	1,118,377,212	873,864,237
Other current liabilities	19	400,597,203	401,922,904
Provisions	15	2,752,942	2,752,942
Liabilities for income tax (net)	15	1,700,000	1,700,000
<b>Subtotal</b>		<b>1,875,432,109</b>	<b>1,633,234,179</b>
<b>TOTAL EQUITIES AND LIABILITIES</b>		<b>548,845,108</b>	<b>521,779,616</b>

See accompanying notes to the financial statements  
 As per our report of even date attached

For KSPM & Associates, Chartered Accountants  
 ICAI FRN: 104723W

CA Sanjay Shah  
 Partner  
 ICAI Mem No: 116251

UDIN:20116251AAAACI6212  
 Place : Mumbai  
 Date : 31st July,2020

For and on Behalf of Sejal Glass Limited  
 CIN: L26100MH1998PLC117437

Prashant Jain  
 Resolution  
 Professional  
 Appointed under  
 IBC Code,2016  
 IP Reg No:IBBI/PA-  
 001/IP-P01368/2018-  
 19/12131

Mitesh K Gada  
 Erstwhile Executive  
 Director  
 DIN: 0148934

Amrut S Gada  
 Erstwhile Chairman &  
 Managing Director  
 DIN : 00163290

Ashwin S Shetty  
 V P Operations  
 Company Secretary

## SEJAL GLASS LIMITED

## STATEMENT OF PROFIT AND LOSS (CONSOLIDATED) AS AT 31ST MARCH 2020

Income	Note No.	For the Year Ended 31st March 2020	For the Year Ended 31st March 2019
Revenue from operations	20	37,157,706	85,389,770
Other income	21	2,015,892	5,259,117
<b>Total Income</b>		<b>39,173,598</b>	<b>90,648,887</b>
<b>Expenses</b>			
Cost of materials consumed	22	27,438,755	66,186,305
Purchase of stock-in-trade	23	-	-
Changes in inventories of finished goods, work in progress and stock-in-trade	24	(2,129,822)	11,310,171
Excise duty Collected on Sales		-	-
Employee Benefit Expense	25	28,343,263	34,479,093
Finance Cost	26	22,413,009	21,941,897
Depreciation and amortisation expense		24,929,740	25,981,989
Other expense	27	26,252,811	40,293,614
<b>Total expenses</b>		<b>127,247,755</b>	<b>200,193,068</b>
<b>Profit/ (loss) before exceptional items and tax</b>		<b>(88,074,157)</b>	<b>(109,544,181)</b>
<b>Exceptional items (net of tax)</b>			
Provision for Contingency , Provision for Doubtful Debts/Loans & Advances & Other Liabilities		(126,954,910)	(37,046,128)
<b>Profit/ (loss) before tax</b>		<b>(215,029,067)</b>	<b>(146,590,309)</b>
<b>Tax expense</b>			
a) Current tax			
b) Deferred tax			
<b>Profit/ (loss) for the period from continuing operations before exceptional items</b>		<b>(88,074,157)</b>	<b>(109,544,181)</b>
<b>Profit/ (loss) for the period from continuing operations after exceptional items</b>		<b>(215,029,067)</b>	<b>(146,590,309)</b>
<b>Other comprehensive income</b>			
(a) Items that will not be reclassified to profit or loss			
-Remeasurement benefit of defined benefit plans		-	-
- Income tax relating to items that will not be reclassified to profit or loss		-	-
(b) Items that will be reclassified to profit or loss		-	-
- Income tax relating to items that will be reclassified to profit or loss		-	-
<b>Total Other Comprehensive Income for the year</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>(215,029,067)</b>	<b>(146,590,309)</b>
<b>Earnings per equity share (for continuing operations) before exceptional items (par value Rs.10 per share)</b>			
a) Basic		(6.42)	(4.38)
b) Diluted		(6.42)	(4.38)
<b>Earnings per equity share (for continuing operations) after exceptional items (par value Rs.10 per share)</b>			
a) Basic		(6.42)	(4.38)
b) Diluted		(6.42)	(4.38)

See accompanying notes to the financial statements  
As per our report of even date attached

For KSPM & Associates, Chartered Accountants  
ICAI FRN: 104723W

CA Sanjay Shah  
Partner  
ICAI Mem No: 116251

UDIN:20116251AAAACI6212  
Place : Mumbai  
Date : 31st July,2020

For and on Behalf of Sejal Glass Limited  
CIN: L26100MH1998PLC117437

Prashant Jain  
Resolution  
Professional  
Appointed under  
IBC Code,2016  
IP Reg No:IBBI/PA-  
001/IP-P01368/2018-  
19/12131

Amrut S Gada  
Erstwhile Chairman &  
Managing Director  
DIN : 00163290

Mitesh K Gada  
Erstwhile Executive  
Director  
DIN: 0148934

Ashwin S Shetty  
V P Operations  
Company Secretary

## SEJAL GLASS LIMITED

### CASH FLOW STATEMENT (CONSOLIDATED) AS AT 31ST MARCH, 2020

Particulars	For the year ended 31st March, 2020		For the year ended 31st March, 2019	
	Audited		Audited	
	Rs	Rs	Rs	Rs
<b>A. Cash flow from operating activities</b>				
Net Profit / (Loss) before tax		(215,029,069)		(146,590,309)
Add Extraordinary items		-		-
Exceptional items		126,954,910		37,046,128
		(88,074,159)		(109,544,181)
<i>Adjustments for:</i>				
Depreciation and amortisation	24,929,740		25,981,989	
Finance costs	22,413,009		21,941,897	
Interest income	(2,015,892)		(4,265,376)	
Net (gain) / loss on sale of Assets	-		5,753	
Liabilities / provisions no longer required written back	-		(36,160,425)	
		45,326,857		7,503,838
Operating profit / (loss) before working capital changes		(42,747,302)		(102,040,343)
<i>Changes in working capital:</i>				
<i>Adjustments for (increase) / decrease in operating assets:</i>				
Inventories	(1,834,575)		16,954,643	
Trade receivables	(934,875)		55,102,040	
Short-term loans and advances	(322,999)		17,203,127	
Long-term loans and advances	-		-	
Other current assets	(290,772)		(756,459)	
Other non-current assets	1,481,093		2,997,052	
<i>Adjustments for increase / (decrease) in operating liabilities:</i>				
Trade payables	(589,343)		4,936,650	
Other current liabilities	(1,325,701)		(1,289,598)	
Short-term provisions	-		-	
Long-term provisions	(103,371)		-	
Other Financial Liability	118,204,064		35,579,411	
		114,283,520		130,726,867
		71,536,219		28,686,524
Cash flow from extraordinary items				
Cash generated from operations		71,536,219		28,686,524
Net income tax (paid) / refunds		-		-
<b>Net cash flow from / (used in) operating activities (A)</b>		71,536,219		28,686,524
<b>B. Cash flow from investing activities</b>				
Capital expenditure on fixed assets, including capital advances				
Proceeds from sale of fixed assets	-		34,015,000	
Movement in long-term Investments	-		-	
Interest received	2,015,892		4,265,376	
<b>Net cash flow from / (used in) investing activities (B)</b>		2,015,892		38,280,376
<b>C. Cash flow from financing activities</b>				
Movement in Fixed Deposits	-		(1,260,000)	
Inter Corporate Deposits	-		4,928,000	
Movement in Borrowing	(400,000)		(47,313,678)	
Finance cost	(22,413,009)		(21,941,897)	
<b>Net cash flow from / (used in) financing activities (C)</b>		(22,813,009)		(65,587,574)
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>		50,739,101		1,379,326
Cash and cash equivalents at the beginning of the year		1,947,873		568,548
Cash and cash equivalents at the end of the year		52,686,975		1,947,873

See accompanying notes to the financial statements  
As per our report of even date attached

For KSPM & Associates, Chartered Accountants  
ICAI FRN: 104723W

CA Sanjay Shah  
Partner  
ICAI Mem No: 116251

UDIN:20116251AAAACI6212  
Place : Mumbai  
Date : 31st July,2020

For and on Behalf of Sejal Glass Limited  
CIN: L26100MH1998PLC117437

Prashant Jain  
Resolution  
Professional  
Appointed under  
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Erstwhile Executive  
Director  
DIN: 0148934

Amrut S Gada  
Erstwhile Chairman &  
Managing Director  
DIN : 00163290

Ashwin S Shetty  
V P Operations  
Company Secretary

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

CIN : L26100MH1998PLC117437

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020

## 1.0 CORPORATE INFORMATION

Sejal Glass Limited is engaged in the business of manufacture of Value Added Glass in various forms viz. Tempering, Designing, Insulating and Laminated Glass.

Sejal Glass Limited herein referred to as "Parent" and Sejal Glass Limited along with Sejal Firebaan Glass Private Limited is referred to as the "Group". Sejal Firebaan Glass Private Limited incorporated on 28th July 2010 is a Joint Venture between Sejal Glass Limited and CGI International of Germany. Sejal Glass Limited and CGI International each equally hold 5,00,000 equity shares of Rs 10 each (48.78% each) in Sejal Firebaan Glass Private Limited remaining 25,000 Equity Shares of Rs 10 each consisting of 2.44 of Equity Share Capital is held by Sejal Finance Limited

Sejal Firebaan Glass Private Limited formed to carry on business in India as manufacturers, distributors, agents, traders, importers and exporters or dealers in glass, glass related products and materials such as, without prejudice to the generality of the foregoing, float glass, automotive glass, architectural glass, fire and security glass. The name of the company has been changed to Sejal Firebaan Glass Private Limited from Sejal Firebaan Glass Private Limited w.e.f. 17th January, 2014 vide Certificate of Incorporation dated 17th January, 2014

The Hon'ble National Company Law Tribunal, Mumbai ("NCLT") by order dated 13th February, 2019 admitted the Corporate Insolvency Resolution Process ("CIRP") application filed by Edelweiss Asset Reconstruction Company against the Company and appointed Shri Rajendra Kumar Girdhar Registration Number [IBBI/IPA-003/IP-N00048/2017-18/10396] as Interim Resolution Professional to carry out functions as mentioned under Insolvency & Bankruptcy Code, 2016.

The appointment was made in Petition filed u/s 7 of Insolvency & Bankruptcy Code, 2016 (I & B Code) by Edelweiss Asset Reconstruction Co. Limited, Financial Creditor or Petitioner to initiate Corporate Insolvency Resolution Process (CIRP) against the Corporate Debtor on the ground that as on 10.05.2018, the Corporate Debtor has defaulted in repaying the debt amount i.e. Rs 40,49,72,485/-. The date of default in repayment of the debt by the Corporate Debtor as stated by the petitioner is 13.10.2016.

The Petitioner, as Trustee of the Edelweiss Asset Reconstruction Company Trust SC-42, entered into an assignment agreement with State Bank of Patiala on 26.06.2014, wherein it got assigned the impugned loans disbursed by the assignor to the Corporate Debtor. The said assignment agreement is annexed with the petition.

In response to application number MA 1324/2019 filed by the Committee of Creditors, the Hon'ble NCLT, Mumbai vide its order dated 23rd April, 2019 has accepted the proposal to appoint Mr Prashant Jain as Resolution Professional.

In view of the ongoing CIRP and suspension of powers of Board of Directors on 13th February, 2019, the powers of adoption of this standalone financial results vests with the RP under provisions of Insolvency & Bankruptcy Code 2016.

As per Section 134 of the Companies Act, 2013, the financial statements of a Company are required to be authenticated by the Chairperson of the Board of Directors, where authorized by the Board or at least two directors, of which one shall be the Managing Director or CEO (being a Director), the CFO and the Company Secretary where they are appointed. Under IBC 2016, such powers shall vest the Resolution Professional Mr. Prashant Jain.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

The Resolution Professional invited Expression of Interest from the prospective bidders for submission of Resolution Plans for revival of the Company. In terms of provisions of the Insolvency and Bankruptcy Code, 2016 (IBC) the resolution plan submitted by the Prospective Resolution Applicant (RA) has been approved by the Committee of Creditors (COC) of the company in its COC meeting and identified as a successful resolution applicant.

The Hon'ble NCLT, Mumbai bench, has in the hearing held on July 02, 2020 after hearing the parties concerned have now reserved the matter for pronouncement of orders.

### 2.0 SIGNIFICANT ACCOUNTING POLICIES AND KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

#### SIGNIFICANT ACCOUNTING POLICIES

##### 2.1 Basis of preparation of financial statements

These financial statements are the separate financial statements of the Company (also called standalone financial statements) prepared in accordance with Indian Accounting Standards ("IND AS") notified under Section 133 of the Companies Act, 2013, read together with the Companies (Indian Accounting Standards) Rules, 2015

For all periods upto and including the year ended 31st March 2017, the Company had prepared its financial statements in accordance with Accounting Standards notified under the Section 133 of the Companies Act, 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 ('Previous GAAP').

These financial statements have been prepared and presented under the historical cost convention and on the accrual basis of accounting except for certain financial assets and financial liabilities that are measured at fair value at the end of each reporting period (where ever and to the extent applicable financial assets and liabilities are valued at Fair Value).

The Financials of the Company have been prepared on a going concern basis as the Company expects to successfully sail through the Corporate Insolvency Resolution Process.

The accounting policies have been applied consistently over all the period presented in these financial statements

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020****2.2 Current/Non Current Classification**

Any asset or liability is classified as current if it satisfied any of the following conditions :

- i. The Asset/Liability is expected to be realised/settled in the Company's normal operating cycle;
- ii The Asset is intended for sale or consumption;
- iii The Asset/Liability is held primarily for the purpose of trading;
- iv The Asset/Liability is expected to be realized/settled within twelve months after the reporting period;
- v The asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date;
- vi In the case of a liability, the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date

All other assets and liabilities are classified as non current.

For the purpose of current/non current classification of assets and liabilities, the Company has ascertained its normal operating cycle as twelve months. This is based on the nature of services and the time limit between the acquisition of assets or inventories for processing and their realization in cash and cash equivalents.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

### 2.3 Summary of Significant Accounting Policies

#### a) Business Combinations

Business combinations are accounted for using the acquisition method. At the acquisition date, identifiable assets acquired and liabilities assumed are measured at fair value. For this purpose, the liabilities assumed are measured at fair value. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition date fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. The Consideration transferred is measured at fair value at acquisition date and includes the fair value of any contingent consideration. However, deferred tax asset or liability and any liability or asset relating to employee benefit arrangements arising from a business combination are measured and recognised in accordance with the requirements of Ind AS 12 "Income Taxes" and Ind AS 19 "Employee Benefits", respectively

Where the consideration transferred exceeds the fair value of the net identifiable assets acquired and liabilities assumed, the excess is recorded as goodwill. Alternatively, in case of a bargain purchase where in the consideration transferred is lower than the fair value of the net identifiable assets acquired and liabilities assumed, the difference is recorded as a gain in other comprehensive income and accumulated in equity as capital reserve. The costs of acquisition excluding those relating to issue of equity or debt securities are charged to the Statement of Profit and Loss in the period in which they are incurred.

In case of business combinations involving entities under common control, the above policy does not apply. Business combinations involving entities under common control are accounted for using the pooling of interest method. The net assets of the transferor entity or business are accounted at their carrying amounts on the date of the acquisition subject to necessary adjustments required to harmonise accounting policies. Any excess or shortfall of the consideration paid over the share capital of transferor entity or business is recognized as capital reserve under equity

#### b) Goodwill

Goodwill is an asset representing the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognised. Goodwill is initially measured at cost, being the excess of the consideration transferred over the net identifiable assets acquired and liabilities assumed, measured in accordance with Ind AS 103, "Business Combinations"

Goodwill is considered to have indefinite useful life and hence is not subject to amortization but tested for impairment at least annually. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination, is from the acquisition date, allocated to each of the Company's cash generating units (CGU's) that are expected to benefit from the combinations. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. Each CGU or a combinations of CGU's to which goodwill is so allocated represents the lowest level at which goodwill is monitored for internal management purpose and it is not larger than an operating segment of the Company.

A CGU to which goodwill is allocated is tested for impairment annually, and whenever there is an indication that the CGU may be impaired by comparing the carrying amount of the CGU, including the goodwill, with the recoverable amount of the CGU. If the recoverable amount of the CGU exceeds the carrying amount of the CGU and the goodwill allocated to that CGU is regarded as not impaired. If the carrying amount of the CGU exceeds the recoverable amount of the CGU, the Company recognises an impairment loss by first reducing the carrying amount of any goodwill allocated to the CGU and then to other assets of the CGU pro-rata based on the carrying amount of each asset in the CGU. Any impairment loss on goodwill is recognised in the Statement of Profit and Loss. An impairment loss is recognised for goodwill is not reversed in subsequent periods.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

On disposal of a CGU to which goodwill is allocated, the goodwill associated with the disposal CGU is included in the carrying amount if the CGU when determining the gain or loss on disposal.

### c) Property, Plant and Equipment

#### Measurement at recognition

An item of property, plant and equipment that qualifies as an asset is measured on initial recognition at cost. Following initial recognition, items of property, plant and equipment are carried at its cost less accumulated depreciation and accumulated impairment losses.

The Company identifies and determines cost of each part of an item of property, plant and equipment separately, if the part has a cost which is significant to the total cost of that item of property, plant and equipment and has useful that is materially different from that of the remaining item.

The cost of an item of property, plant and equipment comprises of its purchase price including import duties and other non refundable purchase taxes or levies, directly attributable cost of bringing the asset to its working condition for its intended use and the initial estimate of decommissioning, restoration and similar liabilities, if any. Any trade discounts and rebates are deducted in arriving at the purchase price. Cost includes cost of replacing a part of a plant and equipment if the recognition criteria are met. Expenses directly attributable to new manufacturing facility during its construction period are capitalised if the recognition criteria are met. Expenditure related to plans, designs and drawings of buildings or plant and machinery is capitalised under relevant heads of property, plant and equipment if the recognition criteria are met.

Items such as spare parts, stand-by equipment and servicing equipment that meet the definition of property, plant and equipment are capitalised at cost and depreciated over their useful life. Costs in nature of repairs and maintenance are recognised in the statement of Profit and Loss as and when incurred.

#### Capital work in progress and Capital advances

Cost of assets not ready for intended use, as on the Balance Sheet Date, is shown as capital work in progress. Advances given towards acquisition of fixed assets outstanding at each Balance Sheet date are disclosed as Other Non Current Assets.

#### Depreciation

Depreciation on each part of an item of property, plant and equipment is provided on Original Cost/WDV Less Residual Value (Residual Value is calculated at 5% of Original Cost) using the Straight Line Method based on the useful life of the asset as mentioned below and charged to the Statement of Profit and Loss as per the requirement of Schedule II of the Companies Act, 2013.

The estimated useful life of items of property, plant and equipment is mentioned below :

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

Type of Asset	Useful Life of Asset in Years
Motor Vehicles	8
Furniture and Fixtures	10
Computers Desktops and Laptops	3
Computer Server	6
Office Equipment	5
Factory Building	30
Buildings Other than Factory Building (with RCC Frame Structure)	60
Buildings Other than Factory Building (without RCC Frame Structure)	30
General Rate for Plant and Machinery - Continuous Use	8
General Rate for Plant and Machinery - Non Continuous Use	15

Freehold Land is not depreciated . Lease hold land and Leasehold improvements are amortised over the period of lease

**De Recognition :**

The carrying amount of an item of property, plant and equipment is de-recognised on disposal or when no future economic benefits are expected from its use or disposal. The Gain or Loss arising from the De recognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognised in the Statement of Profit and Loss when the item is derecognised.

**d) Intangible Assets :****Measurement at recognition :**

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets arising on acquisition of business are measured at fair value as at date of acquisition. Internally generated intangibles including research cost are not capitalised and the related expenditure is recognised in the Statement of Profit and Loss in the period in which the expenditure is incurred .

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

### **Amortisation :**

The amortisation period and the amortisation method for an intangible asset with finite useful life is reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate.

### **Derecognition :**

The carrying amount of an intangible asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the Derecognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and is recognised in the Statement of Profit and Loss when the asset is derecognised.

### **d) Impairment :**

Assets that have an indefinite useful life, for example goodwill, are not subjected to amortisation and are tested for impairment annually and whenever there is an indication that the asset may be impaired.

Assets that are subject to depreciation and amortisation and assets representing investments in subsidiary and associate companies are reviewed for impairment, whenever events or changes in circumstances indicate that carrying amount may not be recoverable. Such circumstances include, though not limited to, significant or sustained decline in revenues or earnings and material adverse changes in the economic environment.

An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit (CGU) exceeds its recoverable amount. The recoverable amount of an asset is the greater of its fair value less cost to sell and value in use. To calculate value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market rates and the risk specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs. Fair value less cost to sell is the best estimate of the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the cost of disposal.

Impairment losses, if any, are recognised in the Statement of Profit and Loss and included in depreciation and amortisation expense. Impairment losses are reversed in the Statement of Profit and Loss only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been previously been recognised.

### **f) Revenue :**

Revenue is recognised when it is probable that economic benefits associated with a transaction flows to the Company in the ordinary course of its activities and the amount of revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates allowed by the Company.

Revenue includes only the gross inflows of economic benefits, including excise duty, received and receivable by the Company, on its own account. Amounts collected on behalf of third parties such as sales tax and value added tax and excluded from revenue.

### **Sale of products :**

Revenue from sale of products is recognised when the Company transfers all significant risks and rewards of ownership to the buyer, while the Company retains neither continuing managerial involvement nor effective control over the products sold.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

### **Rendering of services :**

Revenue from services is recognised when the stage of completion can be measured reliably. Stage of completion is measured by the services performed till Balance Sheet date as a percentage of total services contracted.

### **Interest, royalties and dividends :**

Interest income is recognised using effective interest method. Royalty income is recognised on an accrual basis in accordance with the substance of the relevant agreement. Dividend income is recognised when the right to receive payment is established.

### **g) Government grants and subsidies :**

#### **Recognition and Measurement :**

In case Company is entitled to subsidies from government in respect of manufacturing units located in specified regions.

Such subsidies are measured at amounts receivable from the government which are non refundable and are recognised as income when there is a reasonable assurance that the Company will comply with all the necessary conditions attached to them. Income from subsidies is recognised on a systematic basis over the periods in which the related costs that are intended to be compensated by such subsidies are recognised.

In the event the Company receives refundable government loans at below-market rate of interest which are accounted in accordance with the recognition and measurement principles of IND AS 109 'Financial Instruments'. The benefit of below-market rate of interest is measured as the difference between the initial carrying value of loan determined in accordance with Ind AS 109 and the proceeds received. It is recognised as income when there is a reasonable assurance that the Company will comply with all the necessary conditions attached to the loans. Income from such benefit is recognised on a systematic basis over the period of the loan during which the Company recognises interest expense corresponding to such loans.

#### **Presentation:**

Income from subsidies are presented on gross basis under Revenue from Operations. Income arising from below-market rate of interest loans are presented on gross basis under Other Income.

### **h) Inventory :**

Raw materials, work-in-progress, finished goods, packing materials, stores, spares, components, consumables and stock-in-trade are carried at the lower of cost and net realizable value. However, materials and other items held for use in production of inventories are not written down below cost if the finished goods in which they will be incorporated are expected to be sold at or above cost. The comparison of cost and net realizable value is made on an item-by item basis.

In determining the cost of raw materials, packing materials, stock-in-trade, stores, spares, components and consumables, weighted average cost method is used. Cost of inventory comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.

Cost of finished goods and work-in-progress includes the cost of raw materials, packing materials, an appropriate share of fixed and variable production overheads, excise duty as applicable and other costs incurred in bringing the inventories to their present location and condition. Fixed production overheads are allocated on the basis of normal capacity of production facilities.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

### i) **Financial Instruments :**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### **Financial Assets**

##### **Initial recognition and measurement:**

The Company recognizes a financial asset in its Balance Sheet when it becomes party to the contractual provisions of the instrument. All financial assets are recognized initially at fair value, plus in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial asset.

Where the fair value of a financial asset at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognized as a gain or loss in the Statement of Profit and Loss at initial recognition if the fair value is determined through a quoted market price in an active market for an identical asset (i.e. level 1 input) or through a valuation technique that uses data from observable markets (i.e. level 2 input).

In case the fair value is not determined using a level 1 or level 2 input as mentioned above, the difference between the fair value and transaction price is deferred appropriately and recognized as a gain or loss in the Statement of Profit and Loss only to the extent that such gain or loss arises due to a change in factor that market participants take into account when pricing the financial asset.

**However, trade receivables that do not contain a significant financing component are measured at transaction price.**

The Management based on historically observed default rates makes provision for receivables.

##### **Subsequent measurement:**

For subsequent measurement, the Company classifies a financial asset in accordance with the below criteria:

- i) The Company's business model for managing the financial asset
- ii) The contractual cash flow characteristics of the financial asset.

Based on the above criteria, the Company classifies its financial assets into the following categories:

- i. Financial assets measured at amortized cost
- ii. Financial assets measured at fair value through other comprehensive income (FVTOCI)
- iii. Financial assets measured at fair value through profit or loss (FVTPL)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

### i. Financial assets measured at amortized cost:

A financial asset is measured at the amortized cost if both the following conditions are met:

- a) The Company's business model objective for managing the financial asset is to hold financial assets in order to collect contractual cash flows, and
- b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to cash and bank balances, trade receivables, loans and other financial assets of the Company. Such financial assets are subsequently measured at amortized cost using the effective interest method.

Under the effective interest method, the future cash receipts are exactly discounted to the initial recognition value using the effective interest rate. The cumulative amortization using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial asset over the relevant period of the financial asset to arrive at the amortized cost at each reporting date. The corresponding effect of the amortization under effective interest method is recognized as interest income over the relevant period of the financial asset. The same is included under other income in the Statement of Profit and Loss.

The amortized cost of a financial asset is also adjusted for loss allowance, if any.

### ii. Financial assets measured at FVTOCI:

A financial asset is measured at FVTOCI if both of the following conditions are met:

- a) The Company's business model objective for managing the financial asset is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to certain investments in debt instruments. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Other Comprehensive Income (OCI). However, the Company recognizes interest income and impairment losses and its reversals in the Statement of Profit and Loss.

On Derecognition of such financial assets, cumulative gain or loss previously recognized in OCI is reclassified from equity to Statement of Profit and Loss.

Further, the Company, through an irrevocable election at initial recognition, has measured certain investments in equity instruments at FVTOCI. The Company has made such election on an instrument by instrument basis. These equity instruments are neither held for trading nor are contingent consideration recognized under a business combination. Pursuant to such irrevocable election, subsequent changes in the fair value of such equity instruments are recognized in OCI. However, the Company recognizes dividend income from such instruments in the Statement of Profit and Loss.

On Derecognition of such financial assets, cumulative gain or loss previously recognized in OCI is not reclassified from the equity to Statement of Profit and Loss. However, the Company may transfer such cumulative gain or loss into retained earnings within equity.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

### iii. Financial assets measured at FVTPL:

A financial asset is measured at FVTPL unless it is measured at amortized cost or at FVTOCI as explained above. This is a residual category applied to all other investments of the Company excluding investments in subsidiary and associate companies. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Statement of Profit and Loss.

### Derecognition:

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized (i.e. removed from the Company's Balance Sheet) when any of the following occurs:

- i. The contractual rights to cash flows from the financial asset expires;
- ii. The Company transfers its contractual rights to receive cash flows of the financial asset and has substantially transferred all the risks and rewards of ownership of the financial asset;
- iii. The Company retains the contractual rights to receive cash flows but assumes a contractual obligation to pay the cash flows without material delay to one or more recipients under a 'pass-through' arrangement (thereby substantially transferring all the risks and rewards of ownership of the financial asset);
- iv. The Company neither transfers nor retains substantially all risk and rewards of ownership and does not retain control over the financial asset.

In cases where Company has neither transferred nor retained substantially all of the risks and rewards of the financial asset, but retains control of the financial asset, the Company continues to recognize such financial asset to the extent of its continuing involvement in the financial asset. In that case, the Company also recognizes an associated liability. The financial asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

On Derecognition of a financial asset, (except as mentioned in ii above for financial assets measured at FVTOCI), the difference between the carrying amount and the consideration received is recognized in the Statement of Profit and Loss.

### Impairment of financial assets:

The Company applies expected credit losses (ECL) model for measurement and recognition of loss allowance on the following:

- i. Trade receivables and lease receivables.
- ii. Financial assets measured at amortized cost (other than trade receivables and lease receivables),
- iii. Financial assets measured at fair value through other comprehensive income (FVTOCI).

In case of trade receivables and lease receivables, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognized as loss allowance.

In case of other assets (listed as ii and iii above), the Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognized as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognized as loss allowance.

Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognizing impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12-month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

As a practical expedient, the Company uses a provision matrix to measure lifetime ECL on its portfolio of trade receivables. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates. At each reporting date, the historically observed default rates and changes in the forward-looking estimates are updated. The Management based on historically observed default rates is of the opinion that all the receivables are Good and Recoverable except to the extent of Bad and Doubtful Debts.

ECL impairment loss allowance/Provision (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss under the head 'Other expenses'.

### **Financial Liabilities :**

#### **Initial recognition and measurement:**

The Company recognizes a financial liability in its Balance Sheet when it becomes party to the contractual provisions of the instrument. All financial liabilities are recognized initially at fair value minus, in the case of financial liabilities not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial liability.

Where the fair value of a financial liability at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognized as a gain or loss in the Statement of Profit and Loss at initial recognition if the fair value is determined through a quoted market price in an active market for an identical asset (i.e. level 1 input) or through a valuation technique that uses data from observable markets (i.e. level 2 input).

In case the fair value is not determined using a level 1 or level 2 input as mentioned above, the difference between the fair value and transaction price is deferred appropriately and recognized as a gain or loss in the Statement of Profit and Loss only to the extent that such gain or loss arises due to a change in factor that market participants take into account when pricing the financial liability.

#### **Subsequent measurement:**

All financial liabilities of the Company are subsequently measured at amortized cost using the effective interest method

Under the effective interest method, the future cash payments are exactly discounted to the initial recognition value using the effective interest rate. The cumulative amortization using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial liability over the relevant period of the financial liability to arrive at the amortized cost at each reporting date. The corresponding effect of the amortization under effective interest method is recognized as interest expense over the relevant period of the financial liability. The same is to be included under finance cost in the Statement of Profit and Loss. However in absence of Fixed Repayment Schedule, Effective Interest Cost Method cannot be applied

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

### **Derecognition:**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the Derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid is recognized in the Statement of Profit and Loss.

### j) **Derivative financial instruments and Hedge accounting**

The Company enters into derivative financial contracts in the nature of forward currency contracts with external parties to hedge its foreign currency risks relating to foreign currency denominated financial liabilities measured at amortized cost. The Company formally establishes a hedge relationship between such forward currency contracts ('hedging instrument') and recognized financial liabilities ('hedged item') through a formal documentation at the inception of the hedge relationship in line with the Company's Risk Management objective and strategy. The hedge relationship so designated is accounted for in accordance with the accounting principles prescribed for a fair value hedge under Ind AS 109, 'Financial Instruments'.

### **Recognition and measurement of fair value hedge:**

Hedging instrument is initially recognized at fair value on the date on which a derivative contract is entered into and is subsequently measured at fair value at each reporting date. Gain or loss arising from changes in the fair value of hedging instrument is recognized in the Statement of Profit and Loss. Hedging instrument is recognized as a financial asset in the Balance Sheet if its fair value as at reporting date is positive as compared to carrying value and as a financial liability if its fair value as at reporting date is negative as compared to carrying value.

Hedged item (recognized financial liability) is initially recognized at fair value on the date of entering into contractual obligation and is subsequently measured at amortized cost. The hedging gain or loss on the hedged item is adjusted to the carrying value of the hedged item as per the effective interest method and the corresponding effect is recognized in the Statement of Profit and Loss.

### **Derecognition:**

On Derecognition of the hedged item, the unamortized fair value of the hedging instrument adjusted to the hedged item, is recognized in the Statement of Profit and Loss.

### k) **Fair Value :**

The Company measures financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

In the Principal market for the asset or liability,

or

In the absence of a principal market, in the most advantageous market for the asset or liability

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

Level 1 — quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 — inputs that are unobservable for the asset or liability

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period and discloses the same.

### l) **Investment in Subsidiary and Associate Companies**

The Company does not have any Subsidiary and/or Associate Companies.

However in the event the Company has an Associate or Subsidiary, the Company would recognize its investments in subsidiary and associate companies at cost in accordance with the option available in Ind AS 27, 'Separate Financial Statements'.

Foreign Currency Translation

m)

### **Initial Recognition:**

On initial recognition, transactions in foreign currencies entered into by the Company are recorded in the functional currency (i.e. Indian Rupees), by applying to the foreign currency amount, the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of Profit and Loss.

### **Measurement of foreign currency items at reporting date:**

Foreign currency monetary items of the Company are translated at the closing exchange rates. Non-monetary items that are measured at historical cost in a foreign currency, are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency, are translated using the exchange rates at the date when the fair value is measured.

Exchange differences arising out of these translations are recognized in the Statement of Profit and Loss.

### n) **Income Taxes :**

Tax expense is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

### Current tax:

Current tax is the amount of income taxes payable in respect of taxable profit for a period. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible under the Income Tax Act, 1961.

Current tax is measured using tax rates that have been enacted by the end of reporting period for the amounts expected to be recovered from or paid to the taxation authorities.

### Deferred tax:

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit under Income Tax Act, 1961.

Deferred tax liabilities are generally recognized for all taxable temporary differences. However, in case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit, deferred tax liabilities are not recognized. Also, for temporary differences if any that may arise from initial recognition of goodwill, deferred tax liabilities are not recognized.

Deferred tax assets are generally recognized for all deductible temporary differences to the extent it is probable that taxable profits will be available against which those deductible temporary difference can be utilized. In case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit, deferred tax assets are not recognized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the benefits of part or all of such deferred tax assets to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

### Presentation of current and deferred tax:

Current and deferred tax are recognized as income or an expense in the Statement of Profit and Loss, except when they relate to items that are recognized in Other Comprehensive Income, in which case, the current and deferred tax income/ expense are recognized in Other Comprehensive Income.

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Company has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Company.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

### o) Provisions and Contingencies :

The Company recognizes provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated.

If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

### p) Measurement of EBITDA :

The Company has opted to present Earnings Before Interest (finance cost), Tax, Depreciation and Amortization (EBITDA) as a separate line item on the face of the Statement of Profit and Loss for the period. The Company measures EBITDA based on profit/(loss) from continuing operations.

### q) Cash and Cash Equivalents :

Cash and Cash equivalents for the purpose of Cash Flow Statement comprise cash and cheques in hand, bank balances, demand deposits with banks where the original maturity is three months or less and other short term highly liquid investments.

### r) Employee Benefits:

#### Short Term Employee Benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognized in the period in which the employee renders the related service. The Company recognizes the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

#### Post-Employment Benefits:

### I. Defined Contribution plans:

Defined contribution plans are employee state insurance scheme and Government administered pension fund scheme for all applicable employees and superannuation scheme for eligible employees.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

### **Recognition and measurement of defined contribution plans:**

The Company would (if, when and to the extent applicable) recognize contribution payable to a defined contribution plan as an expense in the Statement of Profit and Loss when the employees render services to the Company during the reporting period. If the contributions payable for services received from employees before the reporting date exceeds the contributions already paid, the deficit payable is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the reporting date, the excess is recognized as an asset to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.

### II. **Defined Benefit plans:**

#### i) Provident Fund scheme:

Specified monthly contributions towards Employee Provident Fund scheme to a separate trust administered by the Company. The minimum interest payable by the trust to the beneficiaries as being notified by the Government every year. The Company has an obligation to make good the shortfall, if any, between the return on investments of the trust and the notified interest rate.

#### ii) Gratuity scheme:

The Company would operate (if, when and to the extent applicable) a defined benefit gratuity plan for employees. The Company would contribute to a separate entity (a fund), towards meeting the Gratuity obligation.

#### iii) Pension Scheme:

The Company may operate a defined benefit pension plan for certain specified employees and would be payable upon the employee satisfying certain conditions, as approved by the Board of Directors.

#### iv) Post-Retirement Medical benefit plan:

The Company may operate a defined post-retirement medical benefit plan for certain specified employees and would be payable upon the employee satisfying certain conditions.

### **Recognition and measurement of Defined Benefit plans:**

The cost of providing defined benefits is determined using the Projected Unit Credit method with actuarial valuations being carried out at each reporting date. The defined benefit obligations recognized in the Balance Sheet represent the present value of the defined benefit obligations as reduced by the fair value of plan assets, if applicable. Any defined benefit asset (negative defined benefit obligations resulting from this calculation) is recognized representing the present value of available refunds and reductions in future contributions to the plan.

All expenses represented by current service cost, past service cost, if any, and net interest on the defined benefit liability / (asset) are recognized in the Statement of Profit and Loss.

Re measurements of the net defined benefit liability / (asset) comprising actuarial gains and losses and the return on the plan assets (excluding amounts included in net interest on the net defined benefit liability/asset), are recognized in Other Comprehensive Income. Such re measurements are not reclassified to the Statement of Profit and Loss in the subsequent periods.

The Company presents the above liability/(asset) as current and non-current in the Balance Sheet as per actuarial valuation by the independent actuary; however, the entire liability towards gratuity is considered as current as the Company will contribute this amount to the gratuity fund within the next twelve months.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

### Other Long Term Employee Benefits (to the extent applicable):

Entitlements to annual leave and sick leave are recognized when they accrue to employees subject to a restriction on the maximum number of accumulation of leave if any determined by the Company. The Company determines the liability for such accumulated leaves using the Projected Accrued Benefit method with actuarial valuations being carried out at each Balance Sheet date.

### s) Lease Accounting :

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

In respect of assets taken on operating lease, lease rentals are recognized as an expense in the Statement of Profit and Loss on straight line basis over the lease term unless

- (1) another systematic basis is more representative of the time pattern in which the benefit is derived from the leased asset; or
- (2) the payments to the lessor are structured to increase in the line with expected general inflation to compensate for the lessor's expected inflationary cost increases

### t) Research and Development

Expenditure on research is recognized as an expense when it is incurred. Expenditure on development which does not meet the criteria for recognition as an intangible asset is recognized as an expense when it is incurred.

Items of property, plant and equipment and acquired Intangible Assets utilized for Research and Development are capitalized and depreciated in accordance with the policies stated for Property, Plant and Equipment and Intangible Assets.

### u) Borrowing Cost :

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs, if any, directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized, if any. All other borrowing costs are expensed in the period in which they occur.

### v) Segment Reporting :

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Company.

### w) Events after Reporting date :

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

### x) Non-Current Assets held for sale

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use of the assets and actions required to complete such sale indicate that it is unlikely that significant changes to the plan to sell will be made or that the decision to sell will be withdrawn. Also, such assets are classified as held for sale only if the management expects to complete the sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and the fair value less cost to sell. Non-current assets are not depreciated or amortized.

### Key accounting estimates and judgements

The preparation of the Company's financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

### Critical accounting estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

The Company has chosen to consider Book Value in respect of Property, Plant and Equipment and Books values as on 1st April, 2016 as permitted by the Transitional Provisions under 1st Time Implementation of IND AS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

### a. Income taxes :

The Company's tax jurisdiction is India. Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions .

### b. Business combinations and Intangible Assets :

Business combinations are accounted for using Ind AS 103, Business Combinations. Ind AS 103 requires the identifiable intangible assets and contingent consideration to be fair valued in order to ascertain the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. Significant estimates are required to be made in determining the value of contingent consideration and intangible assets. These valuations are conducted by independent valuation experts.

### c. Property, Plant and Equipment:

Property, Plant and Equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the management at the time the asset is acquired as given in Schedule II of the Companies Act 2013.

### d. Impairment of Goodwill:

Goodwill is tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash generating unit is less than its carrying amount based on a number of factors including operating results, business plans, future cash flows and economic conditions. The recoverable amount of cash generating units is determined based on higher of value-in-use and fair value less cost to sell. The goodwill impairment test is performed at the level of the cash- generating unit or groups of cash-generating units which are benefitting from the synergies of the acquisition and which represents the lowest level at which goodwill is monitored for internal management purposes.

Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent management's best estimate about future developments.

### e. Defined Benefit Obligation

The costs of providing pensions and other post-employment benefits are charged to the Statement of Profit and Loss in accordance with Ind AS 19 'Employee benefits' over the period during which benefit is derived from the employees' services. The costs are assessed on the basis of assumptions selected by the management. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates. The same is disclosed in Note 29 , 'Employee benefits'.

### f. Fair value measurement of Financial Instruments

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions.

### Ind AS 115, Revenue from contract with customers:

Ind AS 115 supersedes Ind AS 11, Construction Contract and Ind AS 18, Revenue. Ind AS 115 requires an entity to report information regarding nature, amount, timing and uncertainty of revenue and cash flow arising from a contract with customers. The principle of Ind AS 115 is that an entity should recognize revenue they demonstrates the transfer of promised goods and service to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard can be applied either retrospectively to each prior reporting period presented or can be applied retrospectively with recognition of cumulative effect of contracts that are not completed contracts the date of initial application of the standard.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

Based on the preliminary assessment performed by the company, the impact of application of the standard is not expected to be material.

### Appendix B to Ind AS 21, Foreign currency transaction and advance consideration:

The Appendix clarifies that the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the assets, expenses or income (or part of it,) is the date on which an entity initially recognises the non-monetary assets or non-monetary liability arising from the payment or receipt of advance consideration towards such assets, expenses or income. If there are multiple payments or receipts in advance, then an entity must determine transaction date for each payments or receipts of advance consideration.

The impact of the Appendix on the financial statements, as assessed by the Company, is expected to be not material.

### Recent Accounting pronouncements

**Ind AS 116** On March 30, 2019, the Ministry of Corporate Affairs issued Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases. IND AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The Standard also contains enhanced disclosure requirements for lessees. The standard allows for two methods of transition: the full retrospective approach, requires entities to retrospectively apply the new standard to each prior reporting period presented and the entities need to adjust equity at the beginning of the earliest comparative period presented, or the modified retrospective approach, under which the date of initial application of the new leases standard, lessees recognise the cumulative effect of initial application as an adjustment to the opening balance of equity as at annual periods beginning on or after January 1, 2019.

Based on the preliminary assessment performed by the company, the impact of application of the standard is not expected to be material.

### Appendix C to Ind AS 12 - Uncertainty over income tax treatments

On March 30, 2019, Ministry of Corporate Affairs issued Appendix C to Ind AS 12, which clarifies the accounting for uncertainties in income taxes. The interpretation is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. The entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The effective date for adoption of Appendix C to Ind AS 12 is April 1, 2019. The Company will apply Appendix C to Ind AS 12 prospectively from the effective date and the effect on adoption of Ind AS 12 on the financial statement is insignificant.

**Amendment to Ind AS 12 – Income Taxes** On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 12 – Income Taxes. The amendments clarify that an entity shall recognise the income tax consequences of dividends on financial instruments classified as equity should be recognised according to where the entity originally recognised those past transactions or events that generated distributable profits were recognised. The effective date of these amendments is annual periods beginning on or after April 1, 2019. The Company is currently assessing the impact of this amendment on the Company's consolidated financial statements.

**Amendment to Ind AS 19 - Plan Amendment, Curtailment or Settlement** On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements requiring an entity to determine the current service costs and the net interest for the period after the remeasurement using the assumptions used for the remeasurement; and determine the net interest for the remaining period based on the remeasured net defined benefit liability or asset. These amendments are effective for annual reporting periods beginning on or after April 1, 2019.

Annex 3A: FIXED ASSETS							
Particulars	Gross block						
	Balance as at 1st April, 2019	Additions	Disposals	Reduction in Gross Block due to Treatment as per Computer Act 2013	Gross Block of Assets Written off as per AS26	Gross Block of Assets Written Off (Others)	Balance as at 31st March, 2019
<b>Intangible Assets</b>							
(a) Freehold Land	156,198,469	-	-	-	-	-	156,198,469
(b) Buildings	188,418,718	-	-	-	-	-	188,418,718
(c) Plant and Equipment	321,450,554	-	-	-	-	-	321,450,554
(d) Furniture and Fixtures	7,895,859	-	-	-	-	-	7,895,859
(e) Vehicles	8,039,292	-	-	-	-	-	8,039,292
(f) Office equipment	1,757,436	-	-	-	-	-	1,757,436
(g) Computers	1,259,678	-	-	-	-	-	1,259,678
<b>Total (A)</b>	<b>685,020,007</b>						<b>685,020,007</b>
Previous year (A)	708,161,602	14,083,962	37,225,557	-	-	-	708,161,602
<b>Intangible Assets</b>							
Computer Software	-	-	-	-	-	-	-
<b>Total (B)</b>	-	-	-	-	-	-	-
Previous year (B)	-	-	-	-	-	-	-
<b>Total (A)+(B)</b>	<b>685,020,007</b>						<b>685,020,007</b>
Previous year (A)+(B)	708,161,602	14,083,962	37,225,557	-	-	-	708,161,602

Note 3A Fixed assets (contd.)

Own Assets	Accumulated Depreciation and Impairment								Net book		
	Balance as at 1st April, 2019	Depreciation / amortisation expense for the Period	Depreciation on Revaluation	Depreciation Reversed on Revaluation decrease	Excess Depreciation Charged during Earlier Years Reversed	Assets transferred	Short Depreciation charged in the earlier years	Reduction in Provision for Depreciation due to Treatment as per Companies Act 2013	Provision for Depreciation of Assets Written off as per AS26	Balance as at 31st March, 2020	Balance as at 31st March 2019
Tangible Assets											

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

Note 3B FIXED ASSETS									
Notes on Consolidated Financial Statements as on 31st March 2019									
Particulars	Gross block								
	Balance as at 1st April, 2018	Additions	Disposals	Reduction in Gross Block due to Treatment as per Companies Act 2013	Written off as per AS26	Balance as at 31st March, 2019	Balance as at 31st March 2018		
<b>Tangible Assets</b>									
(a) Freehold Land	178,961,092	-	22,762,633	-	-	156,198,469	178,961,092		
(b) Buildings	188,418,718	14,047,877	14,047,877	-	-	188,418,718	188,418,718		
(c) Plant and Equipment	321,450,554	-	-	-	-	321,450,554	321,450,554		
(d) Furniture and Fixtures	7,895,859	-	-	-	-	7,895,859	7,895,859		
(e) Vehicles	8,454,349	-	415,057	-	-	8,039,292	8,454,349		
(f) Office equipment	1,221,351	36,085	-	-	-	1,257,436	1,221,351		
(g) Computers	1,259,678	-	-	-	-	1,259,678	1,259,678		
<b>Total (A)</b>	<b>708,161,602</b>	<b>14,083,962</b>	<b>37,225,557</b>	<b>-</b>	<b>-</b>	<b>685,020,007</b>	<b>708,161,602</b>		
<b>Previous year (A)</b>	<b>707,677,855</b>	<b>483,767</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>708,161,602</b>	<b>708,223,618</b>		
<b>Intangible Assets</b>									
Computer Software	-	-	-	-	-	-	-		
<b>Total (B)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		
<b>Previous year (B)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		
<b>Total (A)+(B)</b>	<b>708,161,602</b>	<b>14,083,962</b>	<b>37,225,557</b>	<b>-</b>	<b>-</b>	<b>685,020,007</b>	<b>708,161,602</b>		
<b>Previous year (A)+(B)</b>	<b>707,677,855</b>	<b>483,767</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>708,161,602</b>	<b>708,223,618</b>		

Note 3B Fixed assets (contd.)

	Accumulated depreciation and impairment										Net block	
	Balance as at 1st April, 2018	Depreciation / amortisation expense for the Period	Depreciation on Revaluation	Depreciation Reversed on Revaluation decrease	Excess Depreciation Charged during Earlier Years Reversed	Assets transferred	Short Depreciation charged in the earlier years	Reduction in Provision for Depreciation due to Treatment of Assets as per Companies Act 2013	Provision for Depreciation of Assets (Written Off Others)	Balance as at 31st March, 2019	Balance as at 31st March 2018	
Own Assets												
Tangible Assets												
(a) Freehold Land	-	-	-	-	-	-	-	-	-	156,198,469	178,961,092	
(b) Buildings	54,189,205	6,304,700	-	-	-	-	-	-	-	127,924,714	134,229,414	
(c) Plant and Equipment	244,601,258	18,884,475	-	-	-	-	-	-	-	57,964,821	76,849,296	
(d) Furniture and Fixtures	5,330,889	380,672	-	-	-	-	-	-	-	2,184,298	2,564,970	
(e) Vehicles	7,535,936	333,270	-	-	-	394,304	-	-	19,610	544,780	918,413	
(f) Office equipment	1,315,181	78,872	-	-	-	-	-	-	-	363,383	406,170	
(g) Computer	872,871	-	-	-	-	-	-	-	-	386,805	386,806	
Total (A)	313,845,438	25,981,988	-	-	-	394,304	-	-	19,610	345,567,270	394,316,161	
Previous year (A)	286,535,089	27,310,347	-	-	-	-	-	-	-	394,316,166	421,142,744	
Intangible Assets												
Computer Software	-	-	-	-	-	-	-	-	-	-	-	
Total (B)	-	-	-	-	-	-	-	-	-	-	-	
Previous year (B)	-	-	-	-	-	-	-	-	-	-	-	
Total (A)+(B)	313,845,438	25,981,988	-	-	-	394,304	-	-	19,610	345,567,270	394,316,161	
Previous year (A)+(B)	286,535,089	27,310,347	-	-	-	-	-	-	-	394,316,166	421,142,744	

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

## Note 3.C : FIXED ASSETS

## Depreciation and amortisation relating to continuing operations:

Particulars	For the Year Ended 31st March, 2020	For the Year Ended 31st March, 2019
	Rs	Rs
Depreciation and amortisation for the year on tangible & intangible assets as per Note 3A & 3B	24,929,740	25,981,989
Less: Utilised from revaluation reserve	-	-
Less: Depreciation on Discontinued Operations	-	-
Depreciation and amortisation relating to continuing operations	24,929,740	25,981,989

## Notes:

## (i) Details of sums added to assets on revaluation during the preceding 5 years:

Particulars	Year				
	31st March, 2020	31st March, 2019	31st March, 2018	31st March, 2017	31st March, 2016
<b>LAND</b>					
Opening balance	169,061,326	206,782,182	206,782,182	206,782,182	206,782,182
Added on revaluation					
Date					
Transferred to General Reserve	-	37,720,856	-	-	-
Date				-	-
Balance as at 31 March	169,061,326	169,061,326	206,782,182	206,782,182	206,782,182
<b>BUILDING</b>					
Opening balance	29,997,789	43,020,411	47,098,382	51,636,163	65,830,512
Added on revaluation					
Depreciation on revaluation	4,310,363	4,307,876	4,307,876	4,537,781	4,317,193
Transferred to General Reserve	-	-	(229,905)	-	2,429,400
				-	-
Loss on Sale of Assets Withdrawn	-	8,714,746		-	7,447,756
				-	-
Balance as at 31 March	25,687,426	29,997,789	43,020,411	47,098,382	51,636,163

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

Note 4 : INVESTMENTS	Non Current	Non Current	Current	Current
	(Amount in Rs )	(Amount in Rs )	(Amount in Rs )	(Amount in Rs )
	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
<b>NON CURRENT INVESTMENTS</b>				
<b>Investments (At cost):</b>				
<b>(a) Investment in equity instruments</b>				
<b>Unquoted Equity Shares</b>				
<b>(i) Associates ( measured at cost)</b>				
2 (PY 2) shares of Rs 10 each fully paid in Sejal Arjuna Realty Pvt Ltd	20	20	-	-
<b>(ii) Other Entities</b>				
1000 (1000) Shares of Rs 100 each fully paid in The Cosmos Co-Operative Bank Ltd	100,000	100,000	-	-
4000 (4000) Shares of Rs 10 each fully paid in Shakti Banquet Pvt.Ltd.	5,000,000	5,000,000	-	-
Sejal Bluecity Realtors Pvt. Ltd. - 100 (100) Equity. Shares of Rs 10 each	1,000	1,000	-	-
			-	-
<b>(b) Other Non-Current Investments - Gold coins</b>	92,651	92,651	-	-
			-	-
<b>Total - Investments (Unquoted) (B)</b>	<b>5,193,671</b>	<b>5,193,671</b>	<b>-</b>	<b>-</b>
			-	-
<b>Total (A + B)</b>	<b>5,193,671</b>	<b>5,193,671</b>	<b>-</b>	<b>-</b>
Aggregate amount of Quoted investments	-	-		-
Aggregate market value of listed and quoted investments	-	-		-
Aggregate amount of Unquoted investments	5,193,671	5,193,671	-	

Note 5: OTHER FINANCIAL ASSETS	Non Current	Non Current	Current	Current
	(Amount in Rs )	(Amount in Rs )	(Amount in Rs )	(Amount in Rs )
	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
Interest accrued on trade receivables	-	13,972,238	-	-
Less : Allowances for credit losses	-	13,972,238	-	
<b>Total</b>	<b>-</b>	<b>-</b>		<b>-</b>

Note 6 : OTHER ASSETS	Non Current	Non Current	Current	Current
	(Amount in Rs )	(Amount in Rs )	(Amount in Rs )	(Amount in Rs )
	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
Advance to Suppliers	20,888,752	20,888,752	-	-
	20,888,752	20,888,752	-	-
Less : Provision for Doubtful Advances	20,484,964	20,484,964		
<b>Unsecured Considered Good</b>	<b>403,788</b>	<b>403,788</b>	<b>-</b>	<b>-</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

	Non Current	Non Current	Current	Current
	(Amount in Rs )	(Amount in Rs )	(Amount in Rs )	(Amount in Rs )
Note 7 :INVENTORIES	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
(At lower of cost or Net Realisable Value)				
(a) Raw materials	-	-	3,149,481	3,147,555
(b) Work-in-progress	-	-	1,736,250	109,506
(c) Finished goods	-	-	819,420	316,342
(d) Stock-in-trade	-	-	560,650	560,650
(e) Stores and spares	-	-	729,424	1,026,597
<b>Total</b>	<b>-</b>	<b>-</b>	<b>6,995,225</b>	<b>5,160,650</b>

	Non Current	Non Current	Current	Current
	(Amount in Rs )	(Amount in Rs )	(Amount in Rs )	(Amount in Rs )
Note 8: TRADE RECEIVABLE	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
Unsecured, considered good			306,576,601	305,641,726
Less : Provision for Doubtful Debts	-	-	264,245,781	264,245,781
<b>UNSECURED , CONSIDERED GOOD</b>		-	<b>42,330,820</b>	<b>41,395,945</b>
<b>Total</b>	<b>-</b>	<b>-</b>	<b>42,330,820</b>	<b>41,395,945</b>

	Non Current	Non Current	Current	Current
	(Amount in Rs )	(Amount in Rs )	(Amount in Rs )	(Amount in Rs )
Note 9: CASH & BANK BALANCES	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
(a) Cash on hand	-	-	27,165	225,887
(b) Balances with banks	-	-	-	-
(i) In current accounts	-	-	1,750,825	1,721,986
(ii) In current accounts-Earmarked for CIRP	-	-	3,408,984	-
Note : Funds Earmarked for CIRP can be utilised only for approved CIRP purposes/meeting CIRP Period expenses	-	-	-	-
(iii) In deposit accounts -Fixed Deposit with ICICI Bank given as Security to ICICI Bank against guarantee issued to DNH Power	1,406,041	1,406,041	-	-
(iv) In deposit accounts--Fixed Deposits with Bank Earmarked for CIRP till approval of Resolution Plan	-	-	47,500,000	-
(iii) In earmarked accounts towards unpaid Dividend	100,063	100,063	-	-
- Unpaid dividend accounts	<b>1,506,104</b>	<b>1,506,104</b>	<b>52,686,975</b>	<b>1,947,873</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

<b>Note 10 : OTHER FINANCIAL ASSETS</b>	<b>Non Current</b>	<b>Non Current</b>	<b>Current</b>	<b>Current</b>
	<b>(Amount in Rs )</b>	<b>(Amount in Rs )</b>	<b>(Amount in Rs )</b>	<b>(Amount in Rs )</b>
	<b>As at 31st March, 2020</b>	<b>As at 31st March, 2019</b>	<b>As at 31st March, 2020</b>	<b>As at 31st March, 2019</b>
(a) Loans and advances to related parties	-	-	20,214,425	20,214,005
(b) Loans and advances - Others	-	-	-	-
(b) Security deposits	-	-	7,863,055	7,393,055
(c) Loans and advances to employees	-	-	1,912,788	1,892,788
(d) Prepaid expenses - Unsecured, considered good	-	-	40,217	26,269
(e) Balances with government authorities	-	-	-	-
(i) CENVAT credit receivable	-	-	-	-
(ii) VAT credit receivable	5,479,484	5,479,484	-	-
(iii) Service Tax credit receivable	5,054,503	5,054,503	-	-
(iv) MAT Credit Entitlement	-	-	-	-
(v) Excise Input Credit	2,000	-	-	-
(vi) EPCG Licence Refund	1,905,134	1,905,134	-	-
(vii) GST Receivable	-	-	218,818	2,327,049
viii) Payment for Excise Duty Appeal	851,465	851,464	-	-
IX) Income Tax	-	-	-	-
Advance income tax/TDS	14,697,219	14,576,450	-	-
Amount due from Government Authorities-Income Tax Refund (AY 12-13)	1,840,712	1,840,712	-	-
(x) GIDC payment under protest	-	-	-	-
<b>Total</b>	<b>29,830,517</b>	<b>29,707,747</b>	<b>30,249,303</b>	<b>31,853,166</b>
Less : Provision for Doubtful Advances	5,054,503	5,054,503	30,222,549	30,222,549
<b>UNSECURED , CONSIDERED GOOD</b>	<b>24,776,014</b>	<b>24,653,245</b>	<b>26,754</b>	<b>1,630,617</b>

<b>Note 11: LOANS &amp; ADVANCES</b>	<b>Non Current</b>	<b>Non Current</b>	<b>Current</b>	<b>Current</b>
	<b>(Amount in Rs )</b>	<b>(Amount in Rs )</b>	<b>(Amount in Rs )</b>	<b>(Amount in Rs )</b>
	<b>As at 31st March, 2020</b>	<b>As at 31st March, 2019</b>	<b>As at 31st March, 2020</b>	<b>As at 31st March, 2019</b>
Capital advances	-	-	41,145,973	41,145,973
Loans and advances to related parties	-	-	223,516,683	223,439,682
Loans and advances- Others	-	-	58,392	58,392
Loans and Advances - Inter Corporate Deposits	-	-	273,792,706	274,192,706
	-	-	<b>538,513,754</b>	<b>538,836,753</b>
Less : Provision for Doubtful Loans & Advances	-	-	508,453,821	508,453,821
<b>Unsecured Considered Good</b>	<b>-</b>	<b>-</b>	<b>30,059,933</b>	<b>30,382,932</b>

<b>Note 12 : OTHER CURRENT ASSETS</b>	<b>Non Current</b>	<b>Non Current</b>	<b>Current</b>	<b>Current</b>
	<b>(Amount in Rs )</b>	<b>(Amount in Rs )</b>	<b>(Amount in Rs )</b>	<b>(Amount in Rs )</b>
	<b>As at 31st March, 2020</b>	<b>As at 31st March, 2019</b>	<b>As at 31st March, 2020</b>	<b>As at 31st March, 2019</b>
(a) Interest accrued on deposits	-	-	223,497	-
(b) Sundry Receivables	-	-	159,509,063	159,484,521
(c) Advance to supplier	-	-	27,672,674	27,629,940
<b>Total</b>	<b>-</b>	<b>-</b>	<b>187,405,234</b>	<b>187,114,461</b>
Less : Provision for Doubtful Debts	-	-	152,407,135	152,407,135
<b>Unsecured Considered Good</b>	<b>-</b>	<b>-</b>	<b>34,998,099</b>	<b>34,707,327</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

## Note 13 : EQUITY SHARE CAPITAL

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Number of shares	Amount in Rs.	Number of shares	Amount in Rs.
(a) Authorised Share Capital	60,000,000	600,000,000	60,000,000	600,000,000
Equity shares of ₹10 each with voting rights				
(b) Issued Share Capital	33,550,000	335,500,000	33,550,000	335,500,000
Equity shares of ₹10 each with voting rights				
(c) Subscribed and fully paid up	33,550,000	335,500,000	33,550,000	335,500,000
Equity shares of ₹10 each with voting rights				

Reconciliation of the number of shares and the amount outstanding at the beginning and at the end of the reporting period.

Particulars	Opening Balance	Fresh Issue	Bonus	ESOP	Conversion	Buy Back	Other Changes	Closing balance
<b>Equity share with Voting rights</b>								
Year Ended 31.3.2020								
a) Number	33,550,000	-	-	-				33,550,000
b) Amount (Rs.)	335,500,000	-	-	-				335,500,000
Year Ended 31.3.2019								
a) Number	33,550,000	-	-	-				33,550,000
b) Amount (Rs.)	335,500,000	-	-	-				335,500,000

The details of Shareholder holding more than 5% shares:				
Particulars	As at 31st March, 2020		As at 31st March, 2019	
Class of shares / Name of shareholder	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Sejal Realty and Infrastructure Limited	3,961,000	11.81%	3,961,000	11.81%
Amrut S Gada	1,450,750	4.32%	1,450,750	4.32%

As per the records of the company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

Note 14: OTHER EQUITY

## OTHER EQUITY FOR THE YEAR ENDED 31.03.2020

Particulars	Equity component of compound financial instruments	Share application money pending allotment	Capital Reserve	Securities Premium Reserve	Revaluation Reserve	General Reserve	Retained Earnings	Re Statement of Actuarial Valuation of Gratuity as per IND AS	Debt Instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Revaluation of Surplus	Remeasurement of the net defined benefit plans	Exchange differences on translating the financial statements of a foreign operation	Other items of Other Comprehensive Income (specify nature)	Money received against share warrants	Total
Balance at the beginning of the reporting period i.e. 1st April 2019	-	-	-	1,406,552,893	199,059,115	892,955,430	(3,947,719,374)	(107,168)	-	-	-	-	-	-	-	-	(1,449,259,064)
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the reporting period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-	-	-	(215,020,667)	-	-	-	-	-	-	-	-	-	(215,020,667)
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loss on Sale of 7th Floor of Sejal Enclave Building	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation Portion of Asset Sold transferred to General Reserve (7th Floor of Sejal Enclave Building)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation on Revalued Assets withdrawn during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation on Revalued Assets withdrawn during the year from Revaluation Reserve and transferred to General Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at the end of the reporting period 31.03.2020	-	-	-	1,406,552,893	199,059,115	892,955,430	(4,162,740,441)	(107,168)	-	-	-	-	-	-	-	-	(1,664,288,151)

## OTHER EQUITY FOR THE YEAR ENDED 31.03.2019

Particulars	Equity component of compound financial instruments	Share application money pending allotment	Capital Reserve	Securities Premium Reserve	Revaluation Reserve	General Reserve	Retained Earnings	Re Statement of Actuarial Valuation of Gratuity as per IND AS	Debt Instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Revaluation of Surplus	Remeasurement of the net defined benefit plans	Exchange differences on translating the financial statements of a foreign operation	Other items of Other Comprehensive Income (specify nature)	Money received against share warrants	Total
Balance at the beginning of the reporting period i.e. 1st April 2018	-	-	-	1,406,552,893	249,802,593	850,926,718	(3,801,129,065)	(107,168)	-	-	-	-	-	-	-	-	(1,288,954,029)
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the reporting period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-	-	-	(146,590,309)	-	-	-	-	-	-	-	-	-	(146,590,309)
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loss on Sale of 7th Floor of Sejal Enclave Building	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation Portion of Asset Sold transferred to General Reserve (7th Floor of Sejal Enclave Building)	-	-	-	-	(37,720,856)	37,720,856	-	-	-	-	-	-	-	-	-	-	(6,714,746)
Depreciation on Revalued Assets withdrawn during the year	-	-	-	-	(4,307,876)	-	-	-	-	-	-	-	-	-	-	-	(4,307,876)
Depreciation on Revalued Assets withdrawn during the year from Revaluation Reserve and transferred to General Reserve	-	-	-	-	-	4,307,876	-	-	-	-	-	-	-	-	-	-	4,307,876
Balance at the end of the reporting period 31.03.19	-	-	-	1,406,552,893	199,059,115	892,955,430	(3,947,719,374)	(107,168)	-	-	-	-	-	-	-	-	(1,444,259,064)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

	Non Current	Non Current	Current	Current
	(Amount in Rs )	(Amount in Rs )	(Amount in Rs )	(Amount in Rs )
<b>Note 15 : PROVISIONS</b>	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
(a) Provision for employee benefits:				
(i) Provision for Gratuity (Net)	1,356,020	1,432,747	2,455,008	2,455,008
(ii) Provision for Leave Encashment	845,131	871,775	297,934	297,934
<b>Total</b>	<b>2,201,151</b>	<b>2,304,522</b>	<b>2,752,942</b>	<b>2,752,942</b>
(b) Others				
(i) Provision for Income tax ( net)	-	-	1,700,000	1,700,000
<b>Total</b>	<b>-</b>	<b>-</b>	<b>1,700,000</b>	<b>1,700,000</b>
<b>Note 17 : TRADE PAYABLES</b>				
	Non Current	Non Current	Current	Current
	(Amount in Rs )	(Amount in Rs )	(Amount in Rs )	(Amount in Rs )
Carried at amortised cost	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
Trade payables:				
Acceptances	-	-	-	-
Other than Acceptances	-	-	130,460,891	131,050,234
<b>Total</b>	<b>-</b>	<b>-</b>	<b>130,460,891</b>	<b>131,050,234</b>
<b>Note 18: OTHER FINANCIAL LIABILITIES</b>				
	Non Current	Non Current	Current	Current
	(Amount in Rs )	(Amount in Rs )	(Amount in Rs )	(Amount in Rs )
Carried at amortised cost	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
(a) Current maturities of long-term debt	-	-		
(b) Interest accrued and due on borrowings including overdue Principle	-	-	443,437,530	443,437,528
(c) Unpaid dividends (The Company has not been able to transfer the amt to Investor Education & Protection Fund as the Dividend Bank Account has been attached)	-	-	96,523	96,523
(d) Unpaid matured Public deposits and interest accrued thereon	-	-	186,839,755	165,983,951
(e) Trade / security deposits received	-	-	730,000	730,000
(f) Others	-	-	83,030,271	77,716,614
(g) Contractually reimbursable expenses	-	-	22,383,355	18,700,051
(h) Payables on purchase of fixed assets	-	-	1,167,436	1,167,436
(i) Provision for Contingencies and Unforeseen Losses	-	-	296,855,903	166,032,135
(j) Amount due to Edelweiss ARC -Assistance for CIRP Process	-	-	11,336,439	-
(k) Amounts received from Resolution Applicant under CIRP Process-EMD and for other purposes	-	-	72,500,000	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>1,118,377,212</b>	<b>873,864,237</b>
<b>Note 19 : OTHER LIABILITIES</b>				
	Non Current	Non Current	Current	Current
	(Amount in Rs )	(Amount in Rs )	(Amount in Rs )	(Amount in Rs )
	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
(a) Advances received from customers	-	-	10,179,123	10,638,963
(b) Statutory dues	-	-	390,418,080	391,283,941
<b>Total</b>	<b>-</b>	<b>-</b>	<b>400,597,203</b>	<b>401,922,904</b>
	<b>-</b>	<b>-</b>	<b>1,518,974,414.99</b>	<b>1,275,787,141.55</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

Note 16 : BORROWINGS	Non Current	Non Current	Current	Current
	Amount in Rs	Amount in Rs	Amount in Rs	Amount in Rs
	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
<b>Secured</b>				
(i) Term Loan				
From Other parties				
Loan taken from Edelweiss Asset Reconstruction Company	-	-	-	-
(ii) Loans Repayable on Demand				
Cash Credit Arrangements from Banks	-	-	90,308,004	90,308,004
(iii) Others				
<b>Unsecured</b>				
(i) Public Deposits (Refer Note 18)	-	-	-	-
(ii) Inter-corporate Deposits	-	-	-	-
(iii) From related parties	-	-	-	-
(iv) From Others	-	-	131,235,857	131,635,857
(v) Buyers Credit arrangements	-	-	-	-
Others	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>221,543,861</b>	<b>221,943,861</b>

**Secured Term Loan from Others**

Nature of Security	Terms of Repayment
<p>i) Term loan of Rs 29,96,10,091 (FY 2018-19 Rs 29,63,85,497/-) shown from M/s Edelweiss Asset Reconstruction Company Limited (EARC). EARC has commenced legal proceedings for recovery of the dues and taking physical possession of the Factory Land, Building and Plant and Machinery. As the Loan amount is due as on 31.03.2018 &amp; 31.03.2019 the whole Loan Outstanding as been disclosed under Note 8. EARC is secured against mortgage of factory Land admeasuring 11,000 Sq.Mtrs and Building situated at Survey No. 259/10/1, 259/10/2, 259/10/3 and 259/11, Near Alok Rub Plant, Village Dadra, U.T.of Dadra, Nagar Haveli, District Silvassa and Hypothecation of Plant &amp; Machinery of Value Added Glass manufacturing plant at Dadra U.T.of Dadra, Nagar Haveli, District Silvassa. The Credit facility is further secured by hypothecation of entire current assets of the company and personal Guarantees of:</p> <ol style="list-style-type: none"> <li>Shri Amrut S. Gada</li> <li>Shri Shantilal S. Gada</li> <li>Shri Mitesh K. Gada</li> </ol> <p>NCLT admitted on 13.02.2019 in response to petition filed by Financial Creditor Edelweiss Asset Reconstruction Company Limited (EARC) u/s 7 of the Insolvency Code 2016 against Sejal Glass Limited (Corporate Debtor) for default in repayment of Principle and Interest thereon. And appointed Resolution Professional Prashant Jain on 23.04.2019 who succeeded Interim Resolution Professional Mr Rajender Kumar Girdhar appointed on 13.02.2019. The appointment of the Resolution Professionals has been made to initiate Corporate Insolvency Resolution Process (CIRP) against Sejal Glass Limited-the Company and Corporate Debtor and the Board of the Company stands suspended. EARC has lodged a claim of Rs 44.63 crores which the Resolution Professional Mr Prashant Jain under the powers vested in him has admitted on 17.07.2019 on behalf on the Corporate Debtors. The Corporate Debtor has recieved an Bridge Loan of Rs 1 crore from EARC towards managing activities of the Corporate Debtor during CIRP Period. The amount including interest has been disclosed in Note 18</p>	<p>In view of the company defaulting in the payment of installments as agreed during the restructuring of company facilitated by EARC in Oct.2015. the whole of the loan amount outstanding is due as on 31.03.2019. and 31.03.2020</p>
<p>ii) Working capital Term loan of Rs 3,91,00,000/- (P.Y Rs 3,91,00,000/-) of SICOM Investments &amp; Finance Ltd (SIFL) is secured against Subservient charge on the Fixed Assets and Current Assets of the Company situated at Factory at Plot No.259/10/1, Village Dadra, Union Territory of Dadra, Nagar Haveli, District Silvassa. The credit facility is further secured by Irrevocable Personal Guarantees of Shri Amrut S.Gada and Shri Mitesh K.Gada Interest and advisory fee are unpaid since July 2015.SIFL has initiated recovery proceeding against the Company for recovery of amount due. SIFL has also filed a case u/s 138 of the Negotiable Instruments Act for dishonour of Security Cheques. Principle Amount due Rs 3,91,00,000 (P.Y Rs 3,91,00,000) as on 31st March, 2020 is disclosed under Note 18</p>	<p>The credit facilities is valid for a maximum period of five years from the date of first disbursement i.e. March 2020, subject to yearly renewal. However, in case the credit facility is not renewed at the end of first year from the date of first disbursement, the entire outstanding amount of the credit facility shall be repayable together with interest accrued thereon. Rate of interest is 18% p.a. However the whole of the Loan amount outstanding is due as on 31.03.2019 as well as 31.03.2020</p>
<p>iii) Public Deposits are subject to reconciliation with the records maintained by Registrar - Link Intime India Private Limited. Further, Interest on these deposits are provided on ad hoc basis. As Principle and Interest Amounts are over due amounts are disclosed under Note 18</p>	
<p>iv) Instalments falling due in respect of all the above Loans within a period of 12 months and not having an unconditional right as on the Balance Sheet date to defer its settlement for 12 months after the reporting date have been grouped under "Current maturities of long-term debt" (Refer Note 18)</p>	
<b>Nature of Security - Short Term Borrowings from Bank</b>	
<p>a) Cash Credit Arrangement of Rs. 1,46,11,828/- (FY 2018-19 Rs 1,46,11,828/-) from Bank of Maharashtra is secured against: Registered/Equitable mortgage of property situated at 7th Floor, 173/174, Sejal Encasa, S V Road, Kandivali (West), Mumbai-400 067, has been auctioned by the bank for Rs. 3,40,00,000/- on 06.4.2018. the proceeds has been appropriated against amount due to Bank of Maharashtra. The Balance Amount due Rs 1,46,11,828 being Unsecured in classified under Note 18(b).</p>	
<p>b) Working Capital Facility of Rs.9,03,08,004/- (PY Rs 9,03,08,004) from Punjab National Bank is secured against:</p> <ol style="list-style-type: none"> <li>Primary Security - Hypothecation of entire current assets of the company</li> <li>Collateral - Mortgage of property situated at 3rd Floor, 173/174, Sejal Encasa, S V Road, Kandivali (West), Mumbai-400 067.</li> </ol> <p><b>Punjab National Bank had lodged claim under CIRP Process for Rs 21.15 crores which has been accepted by RP Prashant Jain on 17.07.2019</b></p>	
<p>The Company had defaulted in repayment of Principle and Interest on Term Loan and Interest on Cash Credit facility during FY 2013-14. Hence State Bank of Patiala, Punjab National Bank and Bank of Maharashtra have classified the Advances as Non Performing Assets. These banks have initiated proceeding under Section 13(2) and 13(4) under the SARFAESI Act, 2002. State Bank of Patiala (SBP) had assigned the outstanding amount of the credit facility as on 12th June, 2014 to Edelweiss Asset Reconstruction Company Limited (EARC). The EARC on 8th January, 2016 has restuctured the Loan amount assigned by State Bank of Patiala. EARC has filed petition to NCLT for recovery of its dues which has been admitted on 13.02.2019 and CIRP is in process.</p>	

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Note 20 : REVENUE FROM OPERATIONS</b>	<b>Amount in Rs</b>	<b>Amount in Rs</b>
(a) Sale of products	34,593,958	80,290,821
(b) Excise duty Collected	-	-
(c) Other operating revenues (Refer Note (ii) below)	2,563,748	5,098,949
<b>Total</b>	<b>37,157,706</b>	<b>85,389,770</b>
(i) Manufactured goods (Net of Excise Duty)		
Toughened Glass	13,488,327	24,417,440
Insulating Glass	8,268,080	6,737,238
Laminated Glass	11,580,010	47,643,447
Others	1,257,541	1,159,775
<b>Total - Sale of Manufactured Goods</b>	<b>34,593,958</b>	<b>79,957,900</b>
Traded goods		
Furniture	-	-
Lights	-	-
Sanitaryware & CP Fittings	-	332,922
Tiles	-	-
Glass	-	-
Others	-	-
<b>Total - Sale of traded goods</b>	<b>-</b>	<b>332,922</b>
<b>(i) Total - Sale of products</b>	<b>34,593,958</b>	<b>80,290,821</b>
<b>(ii) Other operating revenues comprise:</b>		
Others	2,563,748	5,098,949
<b>(ii) Total - Other operating revenues</b>	<b>2,563,748</b>	<b>5,098,949</b>

<b>Note 21 : OTHER INCOME</b>	<b>As at 31st March, 2020</b>	<b>As at 31st March, 2019</b>
	<b>Amount in Rs</b>	<b>Amount in Rs</b>
(a) Interest income (Refer Note (i) below )	2,015,892	4,265,376
(b) Other non-operating income (net of expenses directly attributable to such income)	-	993,741
<b>Total</b>	<b>2,015,892</b>	<b>5,259,117</b>
<b>(i) Interest income comprises:</b>		
Interest on Bank Deposits	1,176,189	100,907
Interest on loans and advances	-	1,125,000
Interest on overdue trade receivables	839,703	3,039,469
Interest Others	-	-
<b>Total - Interest income</b>	<b>2,015,892</b>	<b>4,265,376</b>
<b>(ii) Other non-operating income comprises:</b>		
Miscellaneous income-Sundry Balances Written Back	-	993,741
<b>Total - Other non-operating income</b>	<b>-</b>	<b>993,741</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Note 22 : COST OF RAW MATERIAL CONSUMED</b>	<b>Amount in Rs</b>	<b>Amount in Rs</b>
Opening stock	4,174,152	9,818,624
Add: Purchases	26,804,700	59,961,275
	<b>30,978,852</b>	<b>69,779,899</b>
Less: Closing stock	3,878,905	4,174,152
Labour Cost	338,808	580,558
<b>Cost of material consumed</b>	<b>27,438,755</b>	<b>66,186,305</b>

<b>Note 23 : PURCHASE OF TRADED GOODS</b>		
Sanitary Ware	-	-
Ceramic tiles	-	-
Glass	-	-
Other items	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

<b>Note 24 : CHANGE IN INVENTORY OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE</b>		
<u>Inventory at the end of the period:</u>		
Finished goods	819,420	316,342
Work-in-progress	1,736,250	109,506
Stock-in-trade	560,650	560,650
	<b>3,116,320</b>	<b>986,498</b>
<u>Inventory at the beginning of the year:</u>		
Finished goods	316,342	459,530
Work-in-progress	109,506	1,318,073
Stock-in-trade	560,650	10,519,066
	<b>986,498</b>	<b>12,296,669</b>
<b>Net (Increase) / Decrease</b>	<b>(2,129,822)</b>	<b>11,310,171</b>

<b>Note 25 EMPLOYEE BENEFIT EXPENSE</b>		
Salaries and Wages	26,692,608	31,400,113
Contributions to provident and other funds	860,405	1,063,251
Staff welfare expenses	790,250	2,015,729
<b>Total</b>	<b>28,343,263</b>	<b>34,479,093</b>
<b>Note 26 FINANCE COSTS</b>		
(a) Interest expense on:		
(i) Borrowings	22,340,736	21,652,009
(ii) Others		
- Interest on delayed payment of taxes	-	-
(b) Bank Charges	<b>72,273</b>	289,888
(c) Other borrowing costs	-	-
<b>Total</b>	<b>22,413,009</b>	<b>21,941,897</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

<b>Note 27 OTHER EXPENSES</b>	<b>As at 31st March, 2020</b>	<b>As at 31st March, 2019</b>
<b>Particulars</b>	<b>Amount in Rs</b>	<b>Amount in Rs</b>
Power and Fuel	9,650,226	11,157,830
Rent including lease rentals	1,826,912	1,850,500
Repairs and maintenance - Buildings	25,628	113,518
Repairs and maintenance - Machinery	918,234	549,432
Repairs and maintenance - Others	118,431	257,090
Insurance	133,966	33,189
Rates and taxes	195,488	339,688
Communication	83,219	300,546
Travelling and conveyance	168,710	654,234
Printing and stationery	159,628	498,385
Freight and forwarding	1,164,100	2,578,522
Sales commission		30,469
Donations and contributions	-	36,000
Legal and professional	135,241	2,363,265
Payment to Auditors-Statutory Audit Fees	325,000	500,000
Bad Debts, Loans and Advances written off	852,702	15,418,300
Loss on Sale of Fixed Assets	-	5,753
Corporate Insolvency Resolution Process Expenses	8,943,969	-
Advertisement & Sales Promotion	4,080	82,911
Miscellaneous expenses	1,547,277	3,523,983
<b>Total</b>	<b>26,252,811</b>	<b>40,293,614</b>
(i) Payment to the auditors includes (net of service tax input credit, wherever applicable)		
As auditors - Statutory Audit	<b>275,000</b>	425,000
For Tax Audit	<b>50,000</b>	75,000
For other services	-	-
<b>Total</b>	<b>325,000</b>	500,000

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

## Note 28 : ADDITIONAL INFORMATION TO FINANCIAL STATEMENTS

## 28.1 Investment in Un Quoted Securities

The Company has invested in 4,000 Equity Shares of Rs 10 each fully paid amounting to Rs.50,00,000/- in Shakti Banquet Pvt.Ltd. The Company has not received the audited financial statements from the year ended 31st March, 2019 and hence the fair value of shares cannot be estimated.

## 28.2 Contingent liabilities and commitments (to the extent not provided for)

Particular	As at 31st March, 2020	As at 31st March, 2019
	Rs	Rs
(i) Claims by parties towards damages	5,893,917	5,893,917
(ii) Demand by Income tax Department Under Appeal	932,760,225	126,232,488
(iii) Penalty paid to GIDC under protest	13,972,689	13,972,689
(iv) Penalty and Tax Demand by Sales tax Department (Under Appeal)	40,066,842	40,066,842
(v) Demand from Income Tax Department toward Short Deduction , Interest on Late Payment of TDS and Late Filing Fee	18,730,998	18,730,998
(vi) Service Tax and Penalty Demand for incorrect availment of CENVAT Credit (Under Appeal)	12,865,672	12,865,672
(vii) Excise Duty Demand under Appeal with Customs Excise & Service Tax Appellate Tribunal	4,500,000	4,500,000
(viii) Excise Duty Demand (EPCG) (Under Appeal)	3,847,812	3,847,812
(ix) Penal Interest Payable to Shakti International Ltd	2,681,234	2,681,234
(x) Penal Interest Payable to SICOM Ltd	1,955,000	1,955,000
(xi) Suit Filed against the Company not acknowledged as Debt-Refer note below	28,825,817	86,441,987
<b>Total</b>	<b>1,066,100,206</b>	<b>317,188,639</b>

Resolution Professional has on 17.07.2019 accepted claim of Rs 5.76 crores of Paisalo Digital Limited Formerly known as S E Investment Private Limited) hence Rs 5.76 crores is no longer Suit Filed against the Company not acknowledged as Debt. However provision for debt has not been made in the Books of Accounts

The Company has not provided Interest on Edelweiss Asset Reconstitution Company (EARC) for F Y 2017-18 and F Y 2018-19. EARC has lodged a claim of Rs 44.63 crores which has been admitted by Resolution Professional Mr Prashant Jain on 17.07.2019 Balance as per Books of Accounts is Rs 29.96 crores. The difference represents Interest not provided by the Company/Interest provided by the Company at lower rate of Interest and TDS deducted by the Company but not paid and hence not accepted by EARC. The difference of Rs 14.67 crores has not been accounted in the Books of Accounts.

As per the Code, Resolution Professional has completed the process of receiving, collating, verifying and admitting all the admissible claims submitted by the Creditors and Employees of the Company on 17.07.2019 . However; pending the completion of the process , the impact of such claims of Rs 55.94 crores ,have not been considered in the preparation of financial statements. Amount of Rs 55.94 crores includes amount of Rs 5.76 crores and Rs 14.67 crores stated above. The Statutory Auditor has qualified his report on this point stating that Loss for the Year is understated and Reserves and Surplus are overstated to the extent of Rs 55.94 crores

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

## 28.3 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

The Company is in the process of confirming with its suppliers regarding their status as Micro and Small Enterprises as defined under "Micro, Small and Medium Enterprises Development Act, 2006". Since the relevant information is presently not available, necessary disclosures relating to principle amount and interest paid /payable to Micro and Small Enterprises have not been made in these accounts.

## 28.4 Value of imports calculated on CIF basis :

Particulars	As at 31st March, 2020	As at 31st March, 2019
	Rs	Rs
Raw materials	-	-
Spare parts	-	-
Capital goods	-	-

## SEJAL GLASS LIMITED

## Notes on Financial Statements for the Year Ended 31st March, 2020

## Note 28 ADDITIONAL INFORMATION TO FINANCIAL STATEMENTS

Particulars	For the Year Ended 31st March, 2020	For the Year Ended 31st March, 2019
	Rs	Rs
28.5 Expenditure in foreign currency:		
Professional / Consultancy Fees	-	-
Travelling Expenses	-	-
Repairs & Maintenance	-	-
Interest on FCNR Loans	-	-
Loss due to Exchange Rate Fluctuation	-	-
Bad Debts	-	-

## 28.6 Details of consumption of imported and indigenous material

(Including Consumables stores)	For the Year Ended 31st March, 2020	
	Rs	%
Imported	-	-
	-	-
Indigenous	27,438,755	100.00
	(66,186,304)	(100.00)
Total	27,438,755	100.00
	(66,186,304)	(100.00)

Note: Figures / percentages in brackets relate to the previous year

## 28.7 Earnings in foreign exchange :

	For the year ended 31st March, 2020	For the year ended 31st March, 2019
	Rs	Rs
FOB Value of Exports	-	-
Gain due to Exchange Rate Fluctuation	-	-

## 28.8 Trade Receivables, Loans and Advances and Trade Payables:

The Balances of Sundry Debtors, Sundry Creditors, Intercompany Deposits and Loans and Advances are subject to confirmation.

## 28.9 In the absence of convincing evidence assuring future taxable income, the company has not made provision for deferred tax asset.

## 28.10 The Financials of the Company have been prepared on a going concern basis as the Company expects to successfully sail through the Corporate Insolvency Resolution Process.

## 28.11 Previous years figures are regrouped &amp; rearranged wherever necessary.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

## Note 29 : DISCLOSURE UNDER ACCOUNTING STANDARDS

## Note Particulars

## 29.1 Employee benefit plans

## 29.1.a Defined contribution plans

The Company makes Provident Fund contributions in respect of all the qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs 8,12,721/- (Year Ended 31 March, 2019 Rs 9,61,059/-) for Provident Fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

## 29.1.b Defined benefit plans

The Company offers the following employee benefit schemes to its employees:

## i. Gratuity

## ii. Compensated Absences

The following table sets out the funded status of the defined benefit schemes and the amount recognised in the financial statements:

As the Company could not obtain actuarial valuation report of Gratuity and Leave Encashment, the Company has not complied with IND AS-19 Employee Benefits

Particulars	Year Ended 31st March, 2020		Year Ended 31st March, 2019	
	Gratuity	Compensated Leave Absence	Gratuity	Compensated Leave Absence
Components of employer expense				
Current service cost	-	-	-	-
Interest cost	-	-	-	-
Expected return on plan assets	-	-	-	-
Curtailment cost / (credit)	-	-	-	-
Settlement cost / (credit)	-	-	-	-
Past service cost	-	-	-	-
Actuarial losses/(gains)	-	-	-	-
Benefits paid	-	-	-	-
Total expense recognised in the Statement of Profit and Loss	-	-	-	-
Actual contribution and benefit payments for year				
Actual benefit payments	-	-	-	-
Actual contributions	-	-	-	-
Net asset / (liability) recognised in the Balance Sheet				
Present value of defined benefit obligation	-	-	-	-
Fair value of plan assets	-	-	-	-
Funded status [Surplus / (Deficit)]	-	-	-	-
Unrecognised past service costs	-	-	-	-
Net asset / (liability) recognised in the Balance Sheet	-	-	-	-

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

## Note 29 : DISCLOSURE UNDER ACCOUNTING STANDARDS (contd.)

Particulars	Year Ended 31 March, 2019	Year Ended 31 March, 2019
	Gratuity	Gratuity
<b>Change in defined benefit obligations (DBO) during the year</b>		
Present value of DBO at beginning of the year	-	5,700,560
Current service cost	-	-
Interest cost	-	-
Curtailment cost / (credit)	-	-
Settlement cost / (credit)	-	-
Plan amendments	-	-
Acquisitions	-	-
Actuarial (gains) / losses	-	-
Past service cost	-	-
Benefits paid	-	-
Present value of DBO at the end of the year	-	-
<b>Change in fair value of assets during the year</b>		
Plan assets at beginning of the year	-	119,395
Acquisition adjustment	-	-
Expected return on plan assets		-
Actual company contributions	-	-
Actuarial gain / (loss)	-	-
Benefits paid	-	-
Plan assets at the end of the year	-	-
Actual return on plan assets	-	-
<b>Composition of the plan assets is as follows:</b>		
Others (Insurer Managed Funds)	-	-
<b>Actuarial assumptions</b>		
Discount rate	0.00%	0.00%
Expected return on plan assets	0.00%	0.00%
Salary escalation	0.00%	0.00%
Estimate of amount of contribution in the immediate next year	-	-

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

## Note 29 : DISCLOSURE UNDER ACCOUNTING STANDARDS (contd.)

## Note Experience adjustments

Particulars	FY 2019-20	FY 2018-19
<b>Gratuity</b>		
Present value of DBO	-	-
Fair value of plan assets	-	-
Funded status [Surplus / (Deficit)]	-	-
Experience gain / (loss) adjustments on plan liabilities	-	-
Experience gain / (loss) adjustments on plan assets	-	-

Actuarial assumptions for long-term compensated absences	Year Ended 31 March, 2020	Year Ended 31 March, 2019
Discount rate	0.00%	0.00%
Expected return on plan assets	0.00%	0.00%
Salary escalation	0.00%	0.00%

## Attrition

The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the

The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

The Expected Rate of Return on Plan Assets is based on expectations of the average long term rate of return expected on the investments of the fund during the estimated term of obligations.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

### Note 29 Disclosures under Accounting Standards (contd.)

#### Note Related Party Transactions

##### 29.2.a Details of related parties:

	Description of relationship	Names of related parties	Transactions entered during the Year
	Subsidiary Company (Upto 19.11.2014)	Sejal Bluecity Developers Pvt Ltd	No
	Subsidiary Company (Upto 19.11.2014)	Sejal Bluecity Realtors Private Limited	No
	Subsidiary Company (Upto 19.11.2014)	Sejal Bluecity Buildcon Private Limited	No
	Company in which KMP / Relatives of KMP can exercise significant influence	Sejal Arjuna Realty Pvt Ltd	No
	Company in which KMP / Relatives of KMP can exercise significant influence	Bonanza Float Glass Pvt Ltd	No
	Company in which KMP / Relatives of KMP can exercise significant influence	Synergy Wood & Glass Pvt Ltd	Yes
	Company in which KMP / Relatives of KMP can exercise significant influence	Sejal Entertainment & Media India Ltd.	Yes
	Company in which KMP / Relatives of KMP can exercise significant influence	Sejal Finance Ltd	No
	Company in which KMP / Relatives of KMP can exercise significant influence	Sejal Glass Craft Pvt. Ltd.	No
	Company in which KMP / Relatives of KMP can exercise significant influence	Sejal Glass House (Proprietor Amrut Gada)	Yes
	Company in which KMP / Relatives of KMP can exercise significant influence	Sejal Insurance Broking Ltd	No
	Company in which KMP / Relatives of KMP can exercise significant influence	Sejal International Ltd	No
	Company in which KMP / Relatives of KMP can exercise significant influence	Sejal Realty and Infrastructure Ltd.	No
	Company in which KMP / Relatives of KMP can exercise significant influence	Inventure Sejal Realtors Pvt Limited	No
	Company in which KMP / Relatives of KMP can exercise significant influence	Sejal Infraprojects Pvt Ltd	No
	Company in which KMP / Relatives of KMP can exercise significant influence	Primera Vista Lifestyle Pvt Ltd	No
	Company in which KMP / Relatives of KMP can exercise significant influence	Jaycee Sejal Developers Pvt Ltd	No
	Company in which KMP / Relatives of KMP can exercise significant influence	Brizeal Realtors & Developers Pvt Ltd	No
	Company in which KMP / Relatives of KMP can exercise significant influence	Harsh Enterprises	No
	Company in which KMP / Relatives of KMP can exercise significant influence	Hitankshi Glass House	No
	Company in which KMP / Relatives of KMP can exercise significant influence	Sejal Wealth and Advisors Limited	No
	Company in which KMP / Relatives of KMP can exercise significant influence	Sejal Shakti Realtors Limited	No
	Company in which KMP / Relatives of KMP can exercise significant influence	Navratna Glass Gallery	No
	Company in which KMP / Relatives of KMP can exercise significant influence	Dhiraj S. Gada	No
	Company in which KMP / Relatives of KMP can exercise significant influence	Shantilal Gada	No
	Key Management Personnel (KMP)	Amrut S. Gada	No
	Key Management Personnel (KMP)	Mitesh K Gada	No
	Key Management Personnel (KMP)	Ashwin Shetty	No

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

## Note 29 Disclosures under Accounting Standards (contd.)

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

## 29.2.b a) Sale / Purchase of Goods, Services And Fixed Assets for the year ended 31st March 2020

Particulars	Purchase of goods	Sale of goods	Receiving of services	Leasing or hire purchase arrangements
<b>Company in which KMP / Relatives of KMP can exercise significant influence</b>				
Sejal International Limited	-	-	-	-
Sejal Realty & Infrastructure Ltd	(-)	(-)	(-)	(-)
Sejal Finance Ltd	(-)	-	-	-
Sejal Entertainment & Media India Ltd	(-)	(-)	(-)	(-)
Sejal Glass House	(-)	(-)	(-)	(-)
Sejal Insurance Broking Limited	(-)	(-)	(-)	(-)
Brizeal Realtors & Developers Pvt Ltd	(-)	-	(-)	(-)
Synergy Wood & Glass Pvt Ltd	(-)	(-)	(-)	(-)
Sejal Shakti Realtors Ltd	(-)	(-)	(-)	(-)
Inventure Sejal Realtors Pvt Ltd	(-)	(-)	-	-
<b>Key Management Personnel</b>				
Amrut Gada - Proprietor of Sejal Glass House	279,701	1,195,219	-	-
Dhiraj Gada	(199,015)	(487,198)	(-)	(-)
Shantibhai Gada	-	-	-	-
	(-)	(-)	(-)	(-)
<b>b) Loans and Advances Given / Taken / Repaid during the year</b>				
<b>Particulars</b>	<b>Loans Given</b>	<b>Repayment received (of loans given) during the year</b>		
<b>Loans &amp; Advances Made and Repayment thereof</b>				
Sejal Entertainment & Media India Ltd	-			
	(-)	(666,000)		
Sejal Fireban Glass Private Limited	(-)	(-)		
	(40,835)	(-)		

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

	-	-
Primera Vista Lifestyle Ltd.	(-)	(-)
	-	-
Inventure Sejal Realtors Pvt Ltd	(-)	(-)
	-	-
Sejal Insurance Broking Limited	(-)	(-)
	-	-
Harsh Enterprises	(-)	(-)
	-	-
Brizeal Realtors and Developers Private Limited	(-)	(-)
	(-)	(-)
Synergy Wood & Glass Ltd	(25,783)	(-)
	(-)	(-)
Amrut Gada (Sejal Glass House)	691,889	(-)
<b>Inter Corporate Deposits Made</b>		
	(-)	(-)
Sejal Finance Ltd	(-)	(17,850,598)
	-	-
Sejal International Ltd		(-)
	(-)	
Sejal Realty & Infrastructure Ltd	(-)	(-)

## Note 29 Disclosures under Accounting Standards (contd.)

## c) Management contracts including for deputation of employees

Particulars	31st March, 2020	31st March, 2019
<b>Directors Remuneration</b>	<b>Rs</b>	<b>Rs</b>
Amrut S Gada	-	-
Mitesh K Gada	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
	<b>31st March, 2020</b>	<b>31st March, 2019</b>
<b>Remuneration to KMP</b>	<b>Rs</b>	<b>Rs</b>
Ashwin Shetty	3,600,000	3,600,000
<b>Total</b>	<b>3,600,000</b>	<b>3,600,000</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

## Note 29 Disclosures under Accounting Standards (contd.)

## Balances Outstanding as on the Reporting Date

Particulars	31st March, 2020	31st March, 2019
	Rs	Rs
<b>Investments</b>		
Sejal Firebaan Glass Private Limited (Eliminated in Consolidation Process)	5,000,000	5,000,000
Sejal Arjuna Realty Pvt Ltd	20	20
Sejal Bluecity Realtors Private Limited	1,000	1,000
<b>Total</b>	<b>5,001,020</b>	<b>5,001,020</b>
<b>Short Term Loans &amp; Advances Given</b>		
Sejal Entertainment and Media India Limited	8,321,614	8,321,614
Sejal Glass House	-	-
Primera Vista Lifestyle Pvt Ltd	1,404,073	1,404,073
Inventure Sejal Realtors Pvt Ltd	1,521,396	1,521,396
Harsh Enterprises	8,635,290	8,635,290
Sejal Realty & Infrastructure Limited	100,542	100,542
Sejal Finance Ltd	231,090	231,090
Sejal International Limited	18,803,070	18,803,070
<b>Sejal Entertainment and Media India Limited-Refer CIRP Payables below</b>	<b>10,413,725</b>	<b>10,336,724</b>
Sejal Glass Craft Private Limited	19,783,035	19,783,035
Sejal Realty & Infrastructure Limited	174,516,853	174,516,853
<b>Total</b>	<b>243,730,688</b>	<b>243,653,687</b>
<b>Trade Receivables</b>		
Brizeal Realtors & Developers Pvt Ltd	95,419	95,419
Hitankshi Glass	425,849	425,849
Synergy Wood and Glass Private Limited	-	175,000
Sejal Glass House - Prop. Amrut Gada	10,577,389	13,370,169
Sejal International Ltd	15,646,688	15,646,688
Primera Vista Lifestyle Ltd	9,250,911	9,250,911
Sejal Realty & Infrastructure Limited	89,256	89,256
Sejal Entertainment & Media India Limited	69,760	69,760
<b>Total</b>	<b>36,155,272</b>	<b>38,948,052</b>
<b>Trade Payables</b>		
Sejal Glass House - Prop. Amrut Gada	1,202,059	922,358
Sejal Entertainment & Media India Limited	42,974	42,974
Sejal Infraprojects Pvt Ltd	1,161,170	1,161,170
Sejal Finance Limited	20,000	20,000
<b>Total</b>	<b>2,426,203</b>	<b>2,146,502</b>
<b>Other Payables-CIRP</b>		
Sejal Entertainment and Media India Limited	2,526,259	-

**SEJAL GLASS LTD.**

**Registered Office:** 173/174, Sejal Encasa, 3<sup>rd</sup>Floor, S. V. Road, Kandivali (West), Mumbai- 400067.

**Attendance Slip**

I hereby record my presence at the 22<sup>nd</sup> Annual General Meeting of the Company at 173/174, Sejal Encasa, 3<sup>rd</sup> Floor, S. V. Road, Kandivali (West), Mumbai- 400067 on Wednesday, December 30, 2020, at 11.00 A.M.,

Name of the Member

\_\_\_\_\_

Registered Folio No.-\_\_\_\_\_No. of shares\_\_\_\_\_

Client Id No.\_\_\_\_\_

DP ID No. \_\_\_\_\_

Name of the Proxy \_\_\_\_\_

\_\_\_\_\_

Signature of the Member or Proxy

Note: The Member/Proxy/Representative attending the Twenty Second Annual General Meeting of the Company is requested to bring this slip duly filled in and present the same at the entrance to the Meeting.

**Form No. MGT - 11  
PROXY FORM**

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies  
(Management and Administration) Rules, 2014]

**SEJAL GLASS LTD  
CIN: L26100MH1998PLC117437**

**Registered Office: 173/174, 3rd Floor, Sejal Encasa, S. V. Road, Kandivali (West),  
Mumbai - 400 067**

Name of the Member(s):-

\_\_\_\_\_

Registered Address:

\_\_\_\_\_

\_\_\_\_\_

E-mail ID : \_\_\_\_\_\*Folio No./DP ID and Client ID:-\_\_\_\_\_

I/We, being the member(s) \_\_\_\_\_of shares of the  
above named Company, hereby appoint

1. Name: \_\_\_\_\_E-mail ID:-\_\_\_\_\_

Address:\_\_\_\_\_

Signature: \_\_\_\_\_, or failing him/her

2. Name: \_\_\_\_\_E-mail ID:-\_\_\_\_\_

Address:\_\_\_\_\_

Signature: \_\_\_\_\_, or failing him/her

3. Name: \_\_\_\_\_E-mail ID:-\_\_\_\_\_

Address:\_\_\_\_\_

Signature: \_\_\_\_\_, or failing him/her as  
my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 22<sup>nd</sup>  
Annual General Meeting of the Company, to be held on Wednesday, the 30<sup>th</sup> day of  
December, 2020 at 11.00 A.M. at and at any adjournment thereof in respect of such  
resolutions and in such manner as are indicated below:

Resolution No.

**Ordinary Business:-**

1. To receive, consider and adopt the Audited Financial Statement of the Company for the financial year ended 31<sup>st</sup> March, 2020, the Director Report to the Shareholders under section 134 of the Companies Act, 2013 and the Auditors' Report thereon and the audited consolidated financial statement of the Company for the Financial Year ended 31<sup>st</sup> March, 2020.
2. To appoint a director in place of Mr. Amrut S. Gada (DIN: 00163290) who has consented to retire by rotation for compliance with the requirements of Section 152(6) of the Companies Act, 2013, and being eligible, offers himself for re-appointment.

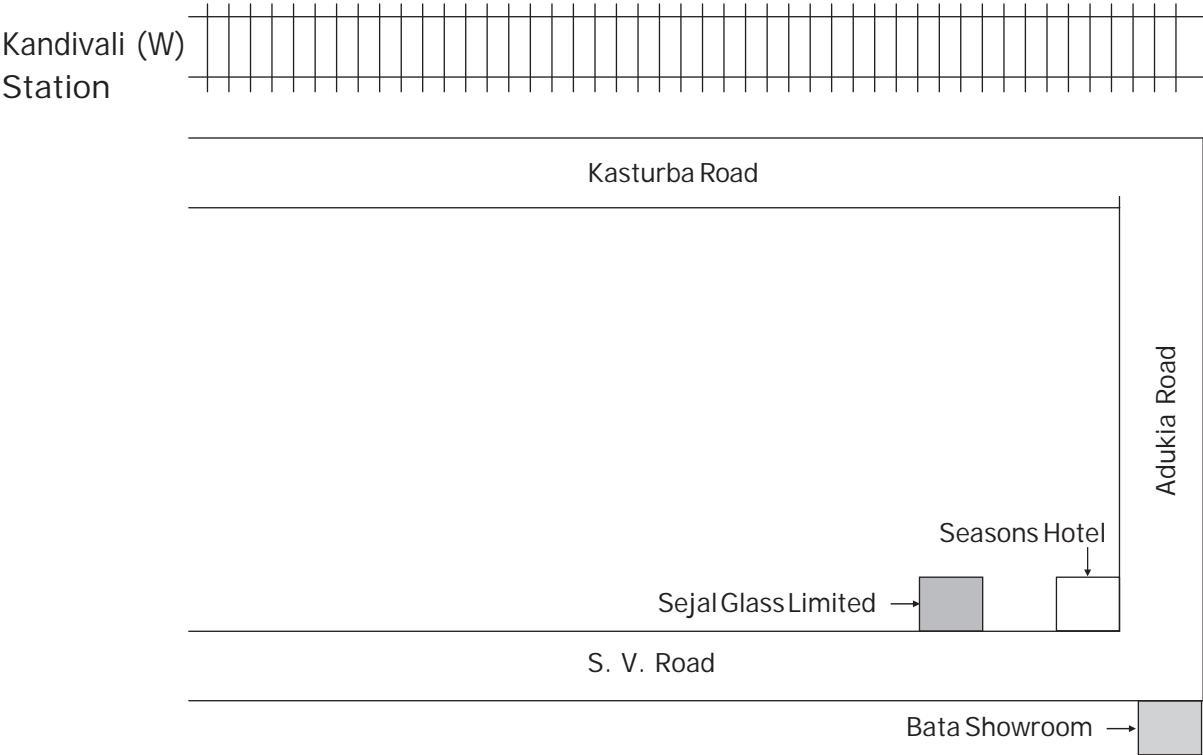
\_\_\_\_\_  
Signature of the Member

Affix Re. 1/- Revenue Stamp
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\_\_\_\_\_  
Signature of Proxy holder(s)

Note: This Proxy Form in order to be effective should be duly filled in, stamped and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the meeting. The Proxy need not be a member of the Company.

# ROUTE MAP TO THE VENUE OF THE AGM





## **SEJAL GLASS LIMITED**

173/174, Sejal Encasa, 3rd Floor,  
Opp. Bata Showroom,  
S.V. Road, Kandivali West,  
Mumbai - 400067.

