



Art inspired by time



**ANNUAL REPORT
2013-14**

OPAL LUXURY TIME PRODUCTS LIMITED
ANNUAL REPORT 2013-14

BOARD OF DIRECTORS

Sameer Gujar	Managing Director
Pratibha Gujar	Director
O K Balraj	Nominee Director
Ramprasad Joshi	Independent Director
Pradeep Tupe	Independent Director
Ramachandran Nair	Independent Director

COMPANY SECRETARY

Nikhil Deshpande

AUDITORS

M/s. Bharat J Rughani & Co.
Chartered Accountants

REGISTERED OFFICE

Shree Ganesh, Plot No. 31,
Shivaji Housing Society, Behind ICC Tower,
Senapati Bapat Road, Pune- 411 016,
Maharashtra, India

FACTORY

Plot No. 5 & 6,
Ramnagar Industrial Estate,
Roorkee, Dist. Haridwar- 247 667
Uttarakhand, India

REGISTRAR & SHARE TRANSFER AGENTS

Karvy Computershare Private Limited
17-24, Vittal Rao Nagar, Madhapur,
Hyderabad- 500081
Andhra Pradesh, India

BANKERS

Central Bank of India

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FORWARD LOOKING STATEMENT

In this Annual Report, we have disclosed forward- looking statements to enable investors to comprehend our prospects and take investment decisions. The report and other statements- written and oral- that are periodically make certain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried, wherever possible, to identify such statements by using words such as 'anticipate', 'estimate', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in assumptions. The achievements of results are subject to risks, uncertainties, and even inaccurate assumptions. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated, or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward looking statements, whether as a result of new information, future events or otherwise.

NOTICE OF SEVENTH ANNUAL GENERAL MEETING

NOTICE is hereby given that, the Seventh Annual General Meeting of the members of Opal Luxury Time Products Limited will be held on Tuesday, 30th day of September, 2014 at 10.00 a.m. at the Registered office of the Company at Shree Ganesh, Plot No. 31, Shivaji Housing Society, Behind ICC Tower, Senapati Bapat Road, Pune- 411 016, Maharashtra, India to transact the following business;

ORDINARY BUSINESS

Item No. 1: Adoption of Accounts

To receive and adopt the audited Statement of Profit and Loss for the year ended March 31, 2014, and the Balance Sheet as at March 31, 2014, and the Directors' and Auditors' Reports thereon.

Item No. 2: Reappointment of Mr. O K Balraj

To appoint a Director in place of Mr. O K Balraj (DIN: 01873868) who retires by rotation and being eligible offers himself for re-appointment.

Item No. 3: Appointment of Auditor

To appoint Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of Tenth Annual General Meeting and to authorize the Board / Audit Committee to fix their remuneration.

SPECIAL BUSINESS

Item No. 4: To consider and if through fit, to pass, with or without modification(s), following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of section 149 and other applicable provisions of the Companies Act, 2013 read with the Rules made thereunder, approval be and is hereby accorded to the appointment of Mr. Ramprasad Joshi (DIN 02682144), in respect of whom a notice in writing pursuant to section 160 of the Companies Act, 2013 has been received in the prescribed manner, as an Independent Director on the Board of the Company for a consecutive period of five years, effective from 01st April, 2014 to 31st March, 2019, not liable to retire by rotation.

RESOLVED FURTHER THAT pursuant to the provisions of section 149, 197 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, Mr. Ramprasad Joshi be paid such fees and / or remuneration as the Board may approve from time to time and subject to such limits, prescribed or as may be prescribed from time to time.

RESOLVED FURTHER THAT the Board (which includes its Working Group Committee) be and is hereby authorized to do all acts and to take all such steps necessary, proper or expedient to give effect to this resolution."

Item No. 5: To consider and if through fit, to pass, with or without modification(s), following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of section 149 and other applicable provisions of the Companies Act, 2013 read with the Rules made thereunder, approval be and is hereby accorded to the appointment of Mr. Pradeep Tupe (DIN 02968390), in respect of whom a notice in writing pursuant to section 160 of the Companies Act, 2013 has been received in the prescribed manner, as an Independent Director on the Board of the Company for a consecutive period of five years, effective from 01st April, 2014 to 31st March, 2019, not liable to retire by rotation.

RESOLVED FURTHER THAT pursuant to the provisions of section 149, 197 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, Mr. Pradeep Tupe be paid such fees and / or remuneration as the Board may approve from time to time and subject to such limits, prescribed or as may be prescribed from time to time.

RESOLVED FURTHER THAT the Board (which includes its Working Group Committee) be and is hereby authorized to do all acts and to take all such steps necessary, proper or expedient to give effect to this resolution."

Item No. 6: To consider and if through fit, to pass, with or without modification(s), following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of section 149 and other applicable provisions of the Companies Act, 2013 read with the Rules made thereunder, approval be and is hereby accorded to the appointment of Mr. Ramachandran Nair (DIN 06445871), in respect of whom a notice in writing pursuant to section 160 of the Companies Act, 2013 has been received in the prescribed manner, as an Independent Director on the Board of the Company for a consecutive period of five years, effective from 01st April, 2014 to 31st March, 2019, not liable to retire by rotation.

RESOLVED FURTHER THAT pursuant to the provisions of section 149, 197 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, Mr. Ramachandran Nair be paid such fees and / or remuneration as the Board may approve from time to time and subject to such limits, prescribed or as may be prescribed from time to time.

RESOLVED FURTHER THAT the Board (which includes its Working Group Committee) be and is hereby authorized to do all acts and to take all such steps necessary, proper or expedient to give effect to this resolution.”

Item No. 7: To consider and if through fit, to pass, with or without modification(s), following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and subject to such other approvals as may be required, the consent of the members be and is hereby accorded for payment of monthly remuneration of ₹ 150,000/- (Rupees One Lac Fifty Thousand only) for the FY 2014-15, FY 2015-16 as minimum remuneration in case of no profits or inadequacy of profits.

RESOLVED FURTHER THAT the Board of Directors and / or the Nomination and Remuneration Committee of the Board of Directors of the Company as the case may be, are hereby authorized to revise the remuneration of Mr. Sameer Gujar subject to the limits, terms & conditions specified in Schedule V and other applicable provisions, if any, of the Companies Act, 2013.

RESOLVED FURTHER THAT subject to applicable laws, rules and regulations, Mr. Sameer Gujar shall be entitled for such benefits and perquisites, in addition to aforesaid remuneration, as specified in the Explanatory Statement attached to this notice pursuant to Section 102(1) of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board (which includes its Nomination and Remuneration Committee) is hereby authorized to make necessary amendment or alteration to the Service Agreement, dated 17th December, 2010 executed by and between the Company and Mr. Sameer Gujar, pursuant to this resolution and also to do all such acts, deeds, things and to take all such steps necessary, proper or expedient to give effect to this resolution.”

Item No. 8: To consider and if through fit, to pass, with or without modification(s), following resolution as a **Special Resolution**:

“RESOLVED THAT in supersession of the Ordinary Resolution passed by the Members at the Extra Ordinary General Meeting of the Company held on November 05, 2011 and pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Rules made thereunder, approval of the Members be and is hereby accorded to authorize the Board of Directors of the Company (“the Board”) which shall be deemed to include any Committee thereof, which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution and with the power to delegate such authority to any person(s), to borrow moneys in excess of the aggregate of the paid-up share capital and free reserves of the Company, provided that the total amount borrowed and outstanding at any point of time (apart from temporary loans obtained/ to be obtained from the Company’s Bankers in the ordinary course of business) including rupee equivalent of foreign currency loans (such rupee equivalent being calculated at the exchange rate prevailing as on the date of relevant foreign currency agreement), shall not be in excess of ₹ 25 Crores (Rupees Twenty- five Crores only) over and above the aggregate of the paid-up capital and free reserves (that is, reserves not set apart for any specific purpose) of the Company and that the Board be and is hereby empowered and authorized to arrange or fix the terms and conditions of all such moneys to be borrowed from time to time as to interest, repayment, security or otherwise as they may, in their absolute discretion, think fit.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board and / or Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may be necessary, proper, desirable or expedient to give effect to this resolution.”

Item No. 9: To consider and if thought fit, to pass, with or without modification(s), following resolution as a ***Special Resolution:***

“RESOLVED THAT in supersession of the Ordinary Resolution passed by the Members at the Extra Ordinary General Meeting of the Company held on November 05, 2011 and pursuant to the provisions of section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Rules made thereunder, approval of the Members be and is hereby accorded to the creation the Board of Directors of the Company (“the Board”) which shall be deemed to include any Committee thereof, which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution and with the power to delegate such authority to any person(s), of such mortgages, charges and hypothecation as may be necessary on such of the assets of the Company, both present and future, in such manner as the Board may direct, to and in favor of financial institutions, investment institutions and their subsidiaries, banks, mutual funds, trusts, other bodies corporates (hereinafter referred to as “Lending Agencies”), to secure rupee term loans, foreign currency loans and other instruments of an outstanding aggregate value not exceeding ₹ 25 Crores (Rupees Twenty- five Crores only) together with interest thereon in excess of the aggregate of the paid up share capital of the Company and its free reserves at the agreed rates, further interest, liquidated damages, costs, charges, expenses, premium payable on pre-payment, and all other money payable by the Company to the Lending Agencies under their respective Agreements / Loan Agreements entered or to be entered into by the Company in respect of the said borrowings.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board and / or Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may be necessary, proper, desirable or expedient to give effect to this resolution.”

Item No. 10: To consider and if thought fit, to pass, with or without modification(s), following resolution as a ***Special Resolution:***

RESOLVED THAT consequent to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the new set of the Articles of Association of the Company submitted to this Meeting be and is hereby approved and adopted and the same shall be in substitution for, and to the entire exclusion of the existing set of Articles of Association of the Company.

RESOLVED FURTHER THAT the Board of Directors and / or the Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as may be required to give effect to this resolution.

By Order of the Board
For **Opal Luxury Time Products Limited**

Company Secretary

Place: Pune
Date: August 30, 2014

Registered Office:
Opal Luxury Time Products Limited
CIN: L33309PN2007PLC129597
Shree Ganesh, Plot No. 31, Shivaji Housing Society,
Behind ICC tower, Senapati Bapat Road,
Pune- 411016, Maharashtra, India

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING A PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. PROXIES SUBMITTED ON BEHALF OF BANKS, FINANCIAL INSTITUTIONS, LIMITED COMPANIES, SOCIETIES ETC. MUST BE SUPPORTED BY APPROPRIATE RESOLUTIONS / AUTHORITY, AS APPLICABLE;
2. The statement pursuant to Section 102(1) of the Companies Act, 2013 setting out the material facts in respect of the business under Item Nos. 4 to 10 set out above and the relevant details as required under Clause 52 of the

Listing Agreement entered with the Stock Exchange, of persons seeking appointment/re-appointment as Directors at the Annual General Meeting, are annexed hereto.

3. The Register of Members and Share Transfer Register will remain closed from September 24, 2014 to September 30, 2014 (both days inclusive) in connection with the Annual General Meeting;
4. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or the Registrar & Transfer Agents (Karvy Computershare Private Limited) for assistance in this regard.
5. Members holding shares certificates under different folio numbers but in the same order of name are requested to apply for consolidation of such folios and send relevant share certificates to the Registrar and Transfer Agent of the Company.
6. In case of joint holders attending the Meeting, the member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
7. Members who are holding shares in demat mode are requested to notify any change in their residential address, email addresses immediately to their respective Depository Participants;
8. The Notice of the AGM along with the Annual Report for FY 2013-14 is being sent by electronic mode to those members whose e-mail addresses are registered with the Company / Depositories, unless any member has requested for a physical copy of the same. For members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
9. Investor Grievance Redressal:

The Company has designated an exclusive e-mail id viz. investor.grievance@opalclocks.com to enable investors to register their complaints, if any;

10. Shareholders seeking any information with regard to accounts and operations of the Company are requested to write to the Company at least 10 days before the Meeting so that the information is made available by the management at the day of the Meeting;
11. Corporate Member intending to send their Authorized Representative(s) to attend the Meeting are requested to send a certified copy of the Board Resolution/ Power of Attorney authorizing their representatives to attend and vote on their behalf at the Meeting;
12. Members / Proxies are requested to bring their attendance slip duly filled in along with their copy of the Annual Report to the Meeting;
13. Opal Luxury Time Products Limited is concerned about the environment and believes in utilization of natural resources in a suitable way. To support "Green Initiative", we request you to update your email addresses with your Depository Participants to ensure that the Annual Report and other documents reach you on preferred email account.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

Item No. 4 to 6

The Company had, pursuant to the provisions of Clause 52 of the Model Listing Agreement for listing on SME Exchange entered with the Stock Exchange, appointed Mr. Ramprasad Joshi, Mr. Pradeep Tupe and Mr. Ramachandran Nair as Independent Directors at various times.

Pursuant to the provision of section 149 of the Companies Act, 2013 ("2013 Act"), which came in to effect from April 1, 2014, every listed company is required to have at least one-third of the total number of directors as Independent Directors, who are not liable to retire by rotation.

Mr. Ramprasad Joshi, Mr. Pradeep Tupe and Mr. Ramachandran Nair, have given a declaration to the Board that they meet the criteria of independence as provided under section 149(6) of the Act. In the opinion of the Board, each of these directors fulfill the conditions specified in the Act and the Rules framed there under for appointment as Independent Director and they are independent of the Management.

According to the provisions of the Companies Act, 2013, the appointment of Independent Director(s) of the Company shall be approved at the meeting of shareholders. Accordingly, it is proposed to approve the appointment Mr. Ramprasad Joshi, Mr. Pradeep Tupe and Mr. Ramachandran Nair as Independent Directors, effective from 01st April, 2014 to 31st March, 2019, who shall not be liable to retire by rotation.

The Company has received notices in writing from a member along with a deposit of requisite amount under Section 160 of the Companies Act, 2013 proposing candidature of Mr. Ramprasad Joshi, Mr. Pradeep Tupe and Mr. Ramachandran Nair for the office of Directors of the Company.

A brief profile of the Independent Directors to be appointed is given below:

Mr. Ramprasad Joshi, aged 45 years, is an Independent Director of our Company. He holds a 'Bachelor of Engineering in Computers' from Shivaji University, Kolhapur and 'M.E in Computers' from Veermata Jijabai Technological Institute, Mumbai University. After Engineering, he worked as a Lecturer with Veermata Jijabai Technological Institute for a few years. He was a Project Engineer, IIT Mumbai in the Aerospace Engineering department in 1993-94. He served as Software & Hardware Engineer at Venus Engineers for a couple of years. Thereafter, he worked as an Assistant Professor PICT, Pune from 1998 to 2002. At present, he is pursuing Ph.D. in Computer Science from BITS Pilani.

Sr. No.	Particulars	Description
a.	Name of Director	Mr. Ramprasad Joshi
b.	Father's Name	Mr. Savlaram Joshi
c.	Date of Appointment	15/10/2012
d.	List of outside directorships held	1) Innoventive Industries Limited 2) Innoventive Venture Limited 3) Arihant Auto Components Private Limited 4) Saicon Steels Private Limited 5) Phoenix Erectors Private Limited 6) Yashoday Engineers Private Limited

Mr. Pradeep Tupe, aged 56 years, is an Independent Director of the Company. He holds a Diploma in Business Management. He has cleared AMIE Examination and also a Diploma in Mechanical Engineering. He worked with reputed companies such as KSB Pumps, Kirloskar Brothers, Rathii Industrial Equipment, Gujarat Steel Tubes and Atlas Steel Tubes in the Marketing/Sales roles. He was the Chairman of Institution of Engineers (India) Maharashtra State Centre. He served as the Vice President of Laghu Udyog Bharati, an all India organization for small scale industries. At present, he is the Coordinator at MIT Group of Institutions and Hon Secretary at All India Management Association. He is a Charter Member of Rotary Club, Pune University and chairs Environmental Awareness in a Rotary. He is a Certified Lead Assessor for QMS (ISO 9001:2008).

Sr. No.	Particulars	Description
a.	Name of Director	Mr. Pradeep Tupe
b.	Father's Name	Mr. Vasant Rao Tupe
c.	Date of Appointment	26/11/2012
d.	List of outside directorships held	1) Innoventive Industries Limited 2) Innoventive Venture Limited

Mr. Ramachandran Nair, aged 61 years, is an Independent Director of our Company. He holds a degree of Bachelor of Commerce from University of Kerala. He has also completed Part I of the Associate Examination of the Indian Institute of Bankers. Prior to joining our Company, he has been associated with Bank of Maharashtra since 1975 and was lastly designated as the Deputy General Manager of the Pune City Zone.

Sr. No.	Particulars	Description
a.	Name of Director	Mr. Ramachandran Nair
b.	Father's Name	Mr. Velayudhan Nair
c.	Date of Appointment	08/12/2012
d.	List of outside directorships held	NIL

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution.

The Board recommends the Ordinary Resolutions set out at Item No. 4 to 6 of the Notice for approval by the Members.

Item No. 7

Mr. Sameer Gujar was appointed as a Managing Director of the Company with effect from 15th December, 2010 for a period of five years on the terms and conditions as agreed between the parties at the time of signing Service Agreement dated 17th December, 2010.

Subject to applicable laws, rules and regulations, It is proposed to seek the consent of the members by way of a Special Resolution for the payment of monthly remuneration of ₹ 150,000/- (Rupees One Lacs Fifty Thousand only) and such benefits and perquisites as specified herein below for FY 2014-15, 2015-16 or and any part thereof as a minimum remuneration in case of no or inadequacy of profits, pursuant to the applicable provisions of the Companies Act, 2013 and Rules made thereunder for the time being in force.

Category	Particulars
Commission	Payment of commission of such amount for each corporate financial year as may be decided by the Board of Directors or any other committee for each financial year.
Perquisites and Allowances	<p>Medical Benefits: Reimbursement of medical expenses incurred by the appointee on self, spouse and dependent children will be reimbursed to him subject to the ceiling of one month's salary in a year or three months' salary over a period of three years.</p> <p>Leave Travel Concession: For self and family once a year in accordance with the rules of the Company.</p> <p>Club fees: Fees for clubs subject to maximum of two clubs excluding admission and lifetime membership fees.</p> <p>Personal accident and medical insurance: Personal accident and medical insurance cover shall be payable as per the rules of the Company.</p> <p>Contribution to Provident fund and superannuation & Annuity fund: Company's contribution to Provident fund, superannuation benefits and Annuity fund to the extent these either singly or put together are not taxable under the income Tax Act, 1962 subject to the rules of the Company.</p> <p>Gratuity: Gratuity at the rate of half month's salary for each completed year of service.</p> <p>Leave: Leave with full pay and encashment thereof as per as per the rule of the Company.</p> <p>Other perquisites: Subject to overall ceiling on remuneration mention hereinabove, additional benefits and /or perquisites may be provided by the board of directors (which includes any committee thereof) as they may deem fit.</p>
Amenities	<p>Conveyance facility: Managing Director will be provided with a car with driver for use on Company's business. Use of car for private purpose, if any will be billed by the Company. The provision of a car for official use and telephone at residence will not be considered as perquisites.</p> <p>Communication facility: Company shall provide telephone at the residence.</p> <p>Minimum remuneration: Where in any financial year during the currency of the tenure if the Company has no profits or the profits are inadequate the Company may pay remuneration by way of salary, dearness allowance, perquisites and any other allowances as detailed above.</p> <p>Explanation: Perquisites shall be evaluated as per Income Tax Rules, wherever applicable and in the absence of any such rules, perquisites shall be evaluated at actual cost.</p>

Statement as per Schedule V (Part II) (Section II) of the Companies Act, 2013

General Information		
1.	Nature of Industry	The Company is in the business of manufacturing, assembly, marketing, retailing consumer goods,

		specifically watches, clocks and allied products
2.	Date or expected date of commencement of commercial production	The Company is in the operation since 2007
3.	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not applicable
4.	Financial Performance based on given indicators	As on 31 st March, 2014, Total Income: ₹ 2523.00 Lacs Total Profit: ₹ 48.38 Lacs Earnings Per Share: 1.44
5.	Foreign Investment or collaboration, if any	Not applicable
Information about the appointee		
6.	Background details	He has passed the examination for Bachelor of Commerce from University of Pune and has completed Post Graduation Programme in Management (Family Managed Business) from S. P. Jain Institute of Management & Research, Mumbai. He has been working with the Company for more than 6 years.
7.	Past remuneration	For the Financial Year 2013-14 ₹ 1,050,000/- per annum
8.	Job profile and his suitability	Mr. Sameer Gujar is working with the Company since March 2007. He is responsible for developing our Company's relationship with customers & suppliers. He has been involved in formulating strategies including identification of growth opportunities in domestic as well as international markets.
9.	Remuneration proposed	As detailed in the resolution
10.	Comparative remuneration profile with respect to industry, size of the company, profile of the position and in person	The proposed remuneration is commensurate with size and nature of the business of the Company and vital role Mr. Sameer Gujar is playing in the development and expansion of the Company. The remunerations may differ from company to company depending upon size of the business.
11.	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	Mr. Sameer Gujar holds 433079 shares of the Company. He is a son of Ms. Pratibha Gujar, Promoter and Non-executive Director of the Company who holds 415851 shares of the Company
Other information		
12.	Reasons of loss or inadequate profits	In order to remain compliant with the prevailing laws, management has adopted a conservative approach although it is hopeful that the Company will be able to achieve its set target and generate suitable profits to maximize wealth of its stakeholders.
13.	Steps taken or proposed to be taken for improvement	The Company is taking adequate steps on this front which includes cost improvement in overall operations of the Company, establishing its footprints in international markets where it envisages high operating margins, etc.
14.	Expected increase in productivity and profits in measurable terms	FY 2014-15 Expected Income: 3,200 Lacs Expected Net Profits: 150 Lacs FY 2015-16 Expected Income: 4,100 Lacs Expected Net Profits: 215 Lacs

Except Mr. Sameer Gujar, Managing Director and Ms. Pratibha Gujar, Director of the Company, none of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution.

The Board recommends the Special Resolution set out at Item No. 7 of the Notice for approval by the Members.

Item No. 8

At the Extra Ordinary General Meeting held on November 05, 2011 the members had pursuant to Section 293(1)(d) of the Companies Act 1956, authorized the Board of Directors of the Company to Borrow from time to time, a sum of

money (apart from temporary loans obtained from bankers in ordinary course of business) in excess of paid up capital and free reserves, provided that, the sum or sums so borrowed and remaining outstanding at any time shall not exceed ₹ 100 Crores (Rupees One Hundred Crores only).

In terms of provisions of Section 180(1)(c) of the Companies Act, 2013, consent of the members of the Company is required if the amount of borrowing including the amount already borrowed exceeds the paid up capital and free reserves of the Company, by a Special Resolution.

The Ministry of Corporate Affairs has vide its General Circular No. 4/2014 dated March 25, 2014 clarified that the Ordinary Resolutions passed under Section 293(1)(d) of the Companies Act, 1956, would be sufficient compliance of Section 180 of the Companies Act, 2013 until September 11, 2014.

The approval of the Members is sought by way of a Special Resolution pursuant to Section 180(1)(c) of the Companies Act, 2013, to authorize the Board of Directors to raise or borrow from time to time at its discretion from the Lending Agencies on such terms and conditions as to repayment, interest or otherwise as it thinks fit up to an amount not exceeding ₹ 25 Crores (Rupees Twenty- five Crores only) in excess of paid up capital and free reserves of the Company

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution.

The Board recommends the Special Resolution set out at Item No. 8 of the Notice for approval by the Members.

Item No. 9

At the Extra Ordinary General Meeting held on November 05, 2011 the members had pursuant of Section 293(1)(a) of the Companies Act 1956, authorized the Board of Directors of the Company for creating the charge on the assets of the Company for the money borrowed, provided that, the sum or sums so borrowed and remaining outstanding at any time shall not exceed ₹ 100 Crores (Rupees One Hundred Crores only).

In terms of provisions of Section 180(1)(a) of the Companies Act, 2013, consent of the Members of the Company is required to mortgage or charge whole or substantially the whole of the undertaking of the Company for securing loans taken from the Lenders, by a Special Resolution.

The Ministry of Corporate Affairs has vide its General Circular No. 4/2014 dated March 25, 2014 clarified that the Ordinary Resolutions passed under Section 293(1)(a) of the Companies Act, 1956, would be sufficient compliance of Section 180 of the Companies Act, 2013 until September 11, 2014.

The approval of the Members is sought by way of a Special Resolution pursuant to Section 180(1)(a) of the Companies Act, 2013, to charge the assets of the Company in favor of the Lending Agency on such terms and conditions as Board may think fit for the purpose of any borrowings made, provided that, the sum or sums so borrowed and remaining outstanding at any time shall not exceed ₹ 25 Crores (Rupees Twenty- five Crores only).

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution.

The Board recommends the Special Resolution set out at Item No. 9 of the Notice for approval by the Members.

Item No. 10

The Companies Act, 2013 and the Rules made thereunder (the 'Act') has been enacted to replace the existing Companies Act, 1956.

The Act is now largely in force. On September 12, 2013, the Ministry of Corporate Affairs ('MCA') had notified 98 Sections for implementation. Subsequently, on March 26, 2014, MCA notified most of the remaining Sections [barring those provisions which require sanction / confirmation of the National Company Law Tribunal ('Tribunal') and certain other provisions including, inter alia, relating to Investor Education and Protection Fund (Section 125) and valuation by registered valuers (Section 247)].

The substantive sections of the Act dealing with the operations and management of companies have been notified.

The existing Articles of Association of the Company based on the Companies Act, 1956 and some regulations in the existing Articles of Association may not, therefore, be in conformity with the Act.

With the coming into force of the Act, the existing Articles of Association require alteration or deletions in several regulations in the Articles of Association. Hence, it is considered expedient to wholly replace the existing Articles of Association by a new set of Articles of Association to align the provisions of the Articles of Association with the provisions of the Act.

The proposed new set of Articles of Association of the Company is attached as **Annexure A** to this Notice of the Annual General Meeting for perusal by the Members.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution.

The Board recommends the Special Resolution set out at Item No. 10 of the Notice for approval by the Members.

ANNEXURE

PURSUANT TO CLAUSE 52 OF THE LISTING AGREEMENT FOR LISTING ON SME EXCHANGE OF NATIONAL STOCK EXCHANGE OF INDIA (NSE), INFORMATION ABOUT THE DIRECTORS PROPOSED TO BE APPOINTED / RE-APPOINTED IS FURNISHED BELOW:

1. Mr. O K Balraj

Profile and expertise:

Mr. O K Balraj, aged 58 years is a Nominee Director representing Innoventive Venture Limited. He is a Member of the Institute of Chartered Accountants of India. He holds an advanced degree in infrastructure financing from Kennedy School of Government, Harvard University, USA. He was appointed as an Additional Director on the Board of Directors of our Company on November 26, 2012 and later on his appointment as an Independent Director on the Board was regularized at the Sixth Annual General Meeting of the Company.

Companies (other than Opal Luxury Time Products Limited) in which Mr. O K Balraj holds directorship and committee memberships

Directorships	Chairman of Board Committees	Member of Board Committees
<ul style="list-style-type: none"> Innoventive Venture Limited geneOmbio Technologies Private Limited 	None	None

Mr. O K Balraj does not hold any shares of the Company. He is not related to any other director on the Board of the Company.

2. Mr. Ramprasad Joshi

Profile and expertise:

Mr. Ramprasad Joshi, aged 45 years is an Independent Director of our Company. He holds a degree of Bachelor of Engineering (Computer) from Shivaji University, Kolhapur and a degree of Master of Engineering (Computer Engineering) from University of Mumbai. He was appointed as a Director on the Board of Directors of our Company on October 15, 2012 and later on appointed as an Independent Director on the Board at an Extra Ordinary General Meeting of the Company dated October 25, 2012.

Companies (other than Opal Luxury Time Products Limited) in which Mr. Ramprasad Joshi holds directorship and committee memberships

Directorships	Chairman of Board Committees	Member of Board Committees
<ul style="list-style-type: none"> Innoventive Industries Limited 	Innoventive Industries Limited <ul style="list-style-type: none"> Audit Committee 	Innoventive Industries Limited <ul style="list-style-type: none"> Shareholders' / Investors' Grievance Committee

• Innoventive Venture Limited	Innoventive Venture Limited • Shareholders'/ Investors' Grievance Committee	Innoventive Venture Limited • Audit Committee
• Arihant Auto Components Private Limited	NIL	NIL
• Saicon Steels Private Limited	NIL	NIL
• Phoenix Erectors Private Limited	NIL	NIL
• Yashoday Engineers Private Limited	NIL	NIL

Mr. Ramprasad Joshi does not hold any shares of the Company. He is not related to any other director on the Board of the Company.

3. Mr. Pradeep Tupe

Profile and expertise:

Mr. Pradeep Tupe, aged 56 years is an Independent Director of our Company. He holds a diploma in Business Management from the Institute of Management Development and Research, Pune and a diploma in Mechanical Engineering from the Board of Technical Examinations, Maharashtra State. He was appointed as an Additional Director on the Board of Directors of our Company on November 26, 2012 and later on appointed as an Independent Director on the Board at the Sixth Annual General Meeting of the Company.

Companies (other than Opal Luxury Time Products Limited) in which Mr. Pradeep Tupe holds directorship and committee memberships

Directorships	Chairman of Board Committees	Member of Board Committees
• Innoventive Industries Limited	Innoventive Industries Limited • Shareholders'/ Investors' Grievance Committee	Innoventive Industries Limited • Audit Committee
• Innoventive Venture Limited	Innoventive Venture Limited • Audit Committee	Innoventive Venture Limited • Shareholders'/ Investors' Grievance Committee

Mr. Pradeep Tupe does not hold any shares of the Company. He is not related to any other director on the Board of the Company.

4. Mr. Ramachandran Nair

Profile and expertise:

Mr. Ramachandran Nair, aged 61 years, is an Independent Director of our Company. He holds a degree of Bachelor of Commerce from University of Kerala. He has also completed Part I of the Associate Examination of the Indian Institute of Bankers. Prior to joining our Company, he has been associated with Bank of Maharashtra since 1975 and was lastly designated as the Deputy General Manager of the Pune City Zone. He was appointed as an Additional Director on the Board of Directors of our Company on December 08, 2012 and later on appointed as an Independent Director on the Board at the Sixth Annual General Meeting of the Company.

Companies (other than Opal Luxury Time Products Limited) in which Mr. Ramachandran Nair holds directorship and committee memberships

Directorships	Chairman of Board Committees	Member of Board Committees
NIL	NIL	NIL

Mr. Ramachandran Nair does not hold any shares of the Company. He is not related to any other director on the Board of the Company.

DRAFT

**THE COMPANIES ACT, 2013
COMPANY LIMITED BY SHARES
(Incorporated under the Companies Act, 1956)
ARTICLES OF ASSOCIATION
OF
OPAL LUXURY TIME PRODUCTS LIMITED**

**PRELIMINARY
Application of Table F**

1. The regulations contained in Table F of First Schedule to the Companies Act, 2013, shall be excluded except in so far as the same are contained or expressly made applicable by these Articles or by the said Act.

INTERPRETATION

- 2.
- I. In the interpretation of these Articles, the following words and expressions shall have the following meanings unless excluded by the subject or context.
- (i) "The Act" shall mean "The Companies Act, 2013" or any statutory modification or re-enactment thereof for the time being in force.
 - (ii) The "Company" or "This Company" shall mean **Opal Luxury Time Products Limited**.
 - (iii) "These Presents" or "The Articles" shall mean these Articles of Association as originally framed or as altered from time to time by Special Resolution.
 - (iv) "Beneficial Owner" shall mean a person whose name is recorded as such with a Depository.
 - (v) "Board Meeting" shall mean a meeting of Directors duly convened and constituted, or as the case may be, the Directors assembled at the Board of the Company collectively.
 - (vi) "Committee" shall mean committee of the Board of Directors of the Company.
 - (vii) "Common Seal" shall mean the common seal for the time being of the Company.
 - (viii) "Debenture" includes Debenture-Stock, bonds or other securities of the Company evidencing a debt whether constituting a charge on the assets of the Company or not.
 - (ix) "Debenture holders" shall mean the duly registered holders from time to time, of the debentures of the Company and shall include in case of debentures held by a Depository, the Beneficial Owners whose names are recorded as such with the Depository.
 - (x) "Depositories Act" shall mean the Depositories Act, 1996, including any statutory modifications or re-enactment thereof for the time being in force.
 - (xi) "Depository" shall mean a company formed and registered under the Companies Act, 1956, and which has been granted a certificate of registration to act as a depository under the Securities and Exchange Board of India Act, 1992;
 - (xii) "Directors" shall mean the directors for the time being of the Company.
 - (xiii) "Dividend" includes final or interim dividend.
 - (xiv) "Extraordinary General Meeting" shall mean an extraordinary meeting of the Members duly called and constituted, and any adjourned meeting thereof.
 - (xv) "General Meeting" shall mean general meeting of the Members duly called and constituted and any adjourned meeting thereof.
 - (xvi) "In Writing" and "Written" include printing, lithography and other modes of representing or reproducing words in a visible form.
 - (xvii) "Member" shall mean the duly registered holder from time to time of the Shares of the Company and includes the subscribers to the Memorandum of the Company, as well as every person whose name is entered as Beneficial Owner in the records of the Depository.
 - (xviii) "Month" shall mean a calendar month.
 - (xix) "Office" shall mean the registered office for the time being of the Company.
 - (xx) "Ordinary Resolution" and "Special Resolution" shall have the meanings assigned thereto by Section 114 of the Act.
 - (xxi) "Participant" shall mean a person registered as such under Section 12(1A) of the Securities and Exchange Board of India Act, 1992.
 - (xxii) "Persons" include body corporate, firms, corporations as well as individuals.
 - (xxiii) "Proxy" includes an attorney duly constituted under a Power-of-Attorney.
 - (xxiv) "Record" includes the records maintained in form of books or stored in a computer or in such other form as may be determined by the Regulations issued by the Securities and Exchange Board of India in relation to the Depository Act, 1996.
 - (xxv) "Register of Members" shall mean the Register of Members to be kept in pursuance of the Act.
 - (xxvi) "Registered Owner" shall mean a Depository whose name is entered as such in the records of the Company.
 - (xxvii) "Rules" shall mean rules made in pursuance of provisions of the Act.
 - (xxviii) "SEBI" shall mean the Securities and Exchange Board of India;

- (xxix) "Secretary" shall mean a Company Secretary within the meaning of clause (C) of sub-section (1) of Section 2 of the Company Secretaries Act, 1980 who is appointed to perform the functions of a company secretary under this Act.
 - (xxx) "Security" shall mean such security as may be specified by SEBI from time to time.
 - (xxxi) "Section" shall mean a section of the Companies Act, 2013.
 - (xxxii) "Share" shall mean share in the Share Capital of the Company and includes Stock.
 - (xxxiii) "Share Capital" shall mean the Share Capital for the time being raised or to be raised by the Company.
 - (xxxiv) "Stock" shall mean the aggregate of fully paid Shares legally consolidated, portions of which aggregate may be Transferred or split up into fractions of any amount, without regard to the original nominal amount of the Share.
 - (xxxv) "The Registrar" shall mean the Registrar of Companies of the State / Union Territory in which the Registered Office of the Company is for the time being situated.
 - (xxxvi) "Transfer" shall mean (in either the noun or the verb form and including all conjugations thereof with their correlative meanings) with respect to the Shares, the sale, assignment, transfer or other disposition (whether for or without consideration, whether directly or indirectly) of any Shares or of any interest therein, or the creation of any third party interest in or over the Shares, but excluding any renunciation of any right to subscribe for any Shares offered pursuant to a rights issue to existing shareholders in proportion to their existing shareholding in the Company.
 - (xxxvii) "Tribunal" shall mean the National Company Law Tribunal constituted under Section 408 of the Act.
 - (xxxviii) "Writing" and "Written" shall mean and includes words, hand written, printed, typewritten, lithographed, represented or reproduced in any mode in a visible form.
 - (xxxix) "Year" shall mean the calendar year and "Financial Year" shall have the meaning assigned thereto by Section 2(41) of the Act.
- II. Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these Articles become binding on the Company.
 - III. Words imparting singular number include, where the context admits or requires the plural number and vice-versa.
 - IV. Words imparting the masculine gender also include the feminine gender.

SHARE CAPITAL

- 3. **Authorized Share Capital**
The Authorized Share Capital of the Company is as per Clause V of the Memorandum of Association.
- 4. **Shares at the Disposal of the Directors**
Subject to the provisions of Section 62 of the Act and these Articles, the Shares in the Capital of the Company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such person, in such proportion, and on such terms and conditions, and either at a premium or at par, and at such time as they may from time to time think fit and with sanction of the Company in the General Meeting to give to any person or persons the option or right to call for any Shares, either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot Shares in the Capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any Shares which may be deemed to be fully paid Shares. Provided the option or right to call of Shares shall not be given to any person or Persons without the sanction of the Company in the General Meeting.
- 5. **Increase of Capital**

The Company at its General Meeting may, from time to time, by an Ordinary Resolution increase the Capital by the creation of new Shares. Such increase to be of such aggregate amount and to be divided into Shares of such respective amounts as the resolution shall prescribe. The new Shares shall be issued on such terms and conditions and with such rights and privileges annexed thereto as the resolution shall prescribe, and in particular, such Shares may be issued with a preferential or qualified right to Dividends, and in the distribution of assets of the Company and with a right of voting at General Meeting of the Company in conformity with Section 47 of the Act. Whenever the Capital of the Company has been increased under the provisions of the Articles, the Directors shall comply with the provisions of Section 64 of the Act.
- 6. **Reduction of Capital**

The Company may, subject to the provisions of Sections 52, 55, 66 and other applicable provisions of the Act from time to time, by Special Resolution reduce its Capital and any Capital Redemption Reserve Account or Securities Premium Account in any manner for the time being authorized by law, and in particular, the Capital may be paid off on the footing that it may be called up again or otherwise.

7. Sub-division and Consolidation of Shares

Subject to the provisions of Section 61 of the Act, the Company in General Meeting, may by an Ordinary Resolution from time to time

- a) divide, sub-divide or consolidate its Shares, or any of them, and the resolution whereby any Share is sub-divided, may determine that as between the holders of the Shares resulting from such sub-division, one or more of such Shares have some preference of special advantage as regards Dividend, Capital or otherwise, as compared with the others. Provided that no consolidation and division which results in changes in the voting percentage of shareholders shall take effect unless it is approved by the Tribunal.
- b) cancel Shares which at the date of such General Meeting have not been taken or agreed to be taken by any person and diminish the amount of its Share Capital by the amount of the Shares so cancelled.

8. New Capital part of the existing Capital

Except so far as otherwise provided by the conditions of the issue or by these presents, any Capital raised by the creation of new Shares shall be considered as part of the existing Capital and shall be subject to the provisions herein contained, with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.

9. Power to issue Shares with differential voting rights

The Company shall have the power to issue Shares with such differential rights as to Dividend, voting or otherwise, subject to the compliance with any law as may be applicable.

10. Power to issue preference shares

Subject to the provisions of Section 55 of the Act, the Company shall have the powers to issue preference shares which are liable to be redeemed and the resolution authorizing such issue shall prescribe the manner, terms and conditions of such redemption.

11. Variation of shareholders rights

If at any time the Share Capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of Section 48 of the Act, and whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.

To every such separate meeting, the provisions of these Articles relating to General Meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.

The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

12. Further Issue of Shares

Where at any time it is proposed to increase the subscribed Capital of the Company by allotment of further Shares, either out of unissued Capital or out of increased Share Capital, then such further Shares shall be offered

- (i) to the Persons who at the date of the offer, are holders of the equity Shares of the Company in proportion as near as circumstances admit, to the capital paid up on those Shares by sending a letter of offer subject to the following conditions.
 - a. The offer shall be made by a notice specifying the number of Shares offered and limiting a time not being less than fifteen days and not exceeding thirty days from the date of offer within which the offer, if not accepted, will be deemed to have been declined.
 - b. the offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the Shares offered to him or any of them in favour of any other person; and the notice referred to in sub clause (b) hereof shall contain a statement of this right.
 - c. After the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the Shares offered, the Board may dispose of them in such manner which is not disadvantageous to the shareholders and the Company.

- (ii) to employees under a scheme of employees' stock option, subject to a Special Resolution passed by the Company and subject to such conditions as may be prescribed.
- (iii) to any persons, if it is authorized by a Special Resolution, whether or not those persons include the persons referred to in clause (i) or clause (ii), either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed.

13. Buy Back of Shares

Notwithstanding anything contained in these Articles, but subject to the provisions of The Act and all other applicable provisions of the Law as may be in force at any time and from time to time, the Company may acquire or purchase any of its fully paid or redeemable Shares and may make payment out of funds at its disposal for and in respect of such acquisition / purchase on such terms and conditions at such times as the Board may in its discretion deem fit, and such acquisition / purchase shall not be construed as reduction of Share Capital of the Company.

14. Issue of sweat equity shares

Subject to the terms and conditions prescribed in Section 54 of the Act and the rules and regulations prescribed in this connection, the Board of Directors may offer, issue and allot Shares in the Capital of the Company as sweat equity shares.

15. Issue of equity shares under employee stock options schemes

Subject to the terms and conditions prescribed in Section 62 of the Act and the rules and regulations prescribed in this connection, the Board of Directors may offer, issue and allot Shares in the Capital of the Company under employee stock options schemes of the Company.

16. Consideration for Allotment

The Board of Directors may allot and issue Shares of the Company as payment or part-payment for any property purchased by the Company, or in respect of goods sold or Transferred or machinery or appliances supplied or for services rendered to the Company in or about the formation of the Company or the acquisition and or in the conduct of its business; and any Shares which may be so allotted may be issued as fully / partly paid up Shares and if so issued shall be deemed as fully / partly paid up Shares.

17. Rights to convert loans into Capital

Nothing contained in these Articles shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option attached to the Debentures issued or loans raised by the Company

- (i) to convert such Debentures or loans into Shares in the Company; or
- (ii) to subscribe for Shares in the Company (whether such option is conferred in these Articles or otherwise).

Provided that the terms of issue of such Debentures or loan containing such an option have been approved before the issue of such Debentures or the raising of loan by a Special Resolution passed by the Company in General Meeting.

Notwithstanding anything contained in this Article and subject to provisions of Section 62(4) of the Act, where any debentures have been issued or loan has been obtained from any Government by a Company, and if that Government considers it necessary in the public interest to do so, it may, by order, direct that such debentures or loans or any part thereof shall be converted into shares in the Company on such terms and conditions as appear to the Government to be reasonable in the circumstances of the case even if terms of the issue of such debentures or the raising of such loans do not include a term for providing for an option for such conversion.

UNDERWRITING

18. Commission for placing Shares, Debentures

Subject to the provisions of the Act and the Rules, the Company may at any time pay a commission to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) for any Shares, Debentures, or Debenture-stock of the Company or underwriting or procuring or agreeing to procure subscriptions (whether absolute or conditional) for Shares, Debentures or Debenture-stock of the Company.

LIEN

19. Company's lien on Shares / Debentures

The Company shall have a first and paramount lien upon all the Shares / Debentures (other than fully paid up Shares / Debentures) registered in the name of each Member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at fixed time in respect of such Shares / Debentures, and no equitable interest in any Shares shall be created except upon the footing and condition that this Article is to have full effect and such lien shall extend to all Dividends and interest from time to time declared in respect of such Shares / Debentures. Unless otherwise agreed, the registration of a Transfer of Shares / Debentures shall operate as a waiver of the Company's lien if any, on such Shares / Debentures. The Directors may at any time declare any Shares / Debentures wholly or in part to be exempt from provisions of this Article.

20. Enforcing lien by sale

For the purpose of enforcing such lien, the Board may sell the Shares subject thereto in such manner as they think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such Shares and may authorize one of their Members to execute a transfer thereof on behalf of and in the name of such Member. No sale shall be made until such period as aforesaid shall have arrived and until a notice in writing of the intention to sell has been served on such Member or his representative and default shall have been made by him or them in payment, fulfillment or discharge of such debts, liabilities or engagements for fourteen days after such notice.

21. Application of sale proceeds

The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to a lien for sums not presently payable as existed upon the Shares before the sale) be paid to the person entitled to the Shares at the date of the sale.

CALLS ON SHARES

22. Board to have right to make calls on Shares

The Board may, from time to time, subject to the terms on which any Shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board (and not by circular resolution), make such call as it thinks fit upon the Members in respect of all moneys unpaid on the Shares held by them respectively and each Member shall pay the amount of every call so made on him to the person or Persons and the Member(s) and place(s) appointed by the Board. A call may be made to be paid by installments.

Provided that the Board shall not give the option or right to call on Shares to any person except with the sanction of the Company in general meeting.

23. Notice for call

Fourteen days' notice in writing of any call shall be given by the Company specifying the date, time and places of payment and the Person or Persons to whom such call be paid.

24. Call when made

The Board of Directors may, when making a call by resolution, determine the date on which such call shall be deemed to have been made, not being earlier than the date of resolution making such call, and thereupon the call shall be deemed to have been made on the date so determined and if no such date is so determined, a call shall be deemed to have been made at the date when the resolution authorizing such call was passed at the meeting of the Board.

25. Liability of joint-holders for a call

The joint-holders of a Share shall be jointly and severally liable to pay all calls in respect thereof.

26. Board to extend time to pay call

The Board may, from time to time, at its discretion extend the time fixed for the payment of any call and may extend such time to all or any of the Members. The Board may be fairly entitled to grant such extension, but no Member shall be entitled to such extension, save as a matter of grace and favor.

27. Calls to carry interest

If a Member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at 10% per annum or such lower rate as shall from time to time be fixed by the Board, but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such Member.

28. Dues deemed to be calls

Any sum, which as per the terms of issue of a Share becomes payable on allotment or at a fixed date, whether on account of the nominal value of the Share or by way of premium, shall for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue the same may become payable, and in case of non-payment, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

29. Partial payment not to preclude forfeiture

Neither a judgment nor a decree in favor of the Company for calls or other moneys due in respect of any Shares, nor any part-payment or satisfaction thereof nor the receipt by the Company of a portion of any money which shall from time to time be due from any Member in respect of any Shares either by way of principal or interest, nor any indulgence granted by the Company in respect of payment of such money shall preclude the forfeiture of such Shares as herein provided.

30. Proof of dues in respect of Share

At the trial or hearing of any action or suit brought by the Company against any Member or his representatives for the recovery of any money claimed to be due to the Company in respect of his Share, it shall be sufficient to prove that the name of the Member in respect of whose Shares the money is sought to be recovered appears entered on the Register of Members as the holder at, or subsequently to the date at which the money sought to be recovered is alleged to have become due on the Shares in respect of which such money is sought to be recovered; that the resolution making the call is duly recorded in the Minute Book; and that notice of such call was duly given to the Member or his representatives so sued in pursuance of these Articles; and it shall not be necessary to prove the appointment of the Directors who made such call, nor that a quorum of Directors was present at the Board at which any call was made, nor that the meeting at which any call was made was duly convened or constituted, nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.

31. Payment in anticipation of call may carry interest

The Directors may, if they think fit, subject to the provisions of Section 50 of the Act, agree to and receive from any Member willing to advance the same whole or any part of the moneys due upon the Shares held by him beyond the sums actually called for, and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the Shares in respect of which such advance has been made, the Company may pay interest at such rate not exceeding 12% per annum, unless the Company in the General Meeting shall otherwise decide, as the Member paying such sum in advance and the Directors agree upon, provided that money paid in advance of calls shall not confer a right to participate in profits or Dividend. The Directors may at any time repay the amount so advanced.

The Members shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable.

32. The provisions of these Articles shall mutatis mutandis apply to the calls on Debentures of the Company.

FORFEITURE OF SHARES

33. Board to have right to forfeit Shares

If a Member fails to pay any call or installment of a call or any other sum or sums on the Shares due and payable by such Member, on or before the last day appointed for the payment thereof, the Board may at any time thereafter during such time as the call or any part of such call or installment of sums remain unpaid, serve a notice on him or on the person (if any) entitled to Shares by transmission requiring payment of so much of the amount as is unpaid together with any interest which may have accrued thereon.

34. Notice of forfeiture of Shares

The notice shall name the place or places on and at which, and a further day (not earlier than the expiration of fourteen days from the date of the notice) on or before which the payment required by the notice is to be made. The notice shall detail the amount which is due and payable on the Shares and shall state that in the event of non-payment at or before the time appointed the Shares will be liable to be forfeited.

35. Effect of forfeiture

If the requirements of any such notice as aforesaid are not complied with, any of the Shares in respect of which such notice has been given may, at any time thereafter before payment of all calls or installment, interest and expenses or other money due in respect thereof, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all Dividends and bonus declared in respect of the forfeited Shares and not actually paid before the forfeiture.

36. Notice to Member after forfeiture of Shares

When any Share shall have been so forfeited, notice of the forfeiture shall be given to the Member on whose name it stood immediately prior to the forfeiture and any entry of the forfeiture with the date thereof, shall forthwith be made in the Register of Members, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.

37. Forfeited Share to be the property of the Company

A forfeited Share may be sold or otherwise disposed of on such terms and in such manner as the Board may think fit.

38. Member to be liable even after forfeiture

Any Member whose Shares have been forfeited shall, notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company all calls, installments, interest, expenses and other moneys owing upon or in respect of such Shares at the time of the forfeiture together with interest thereon from the time of forfeiture until payment, at such rate as the Board may determine, and the Board may enforce the payment of the whole or a portion thereof if they think fit, but shall not be under any obligation to do so.

39. Claims against the Company to extinguish on forfeiture

The forfeiture of a Share involves extinction, at the time of the forfeiture of all interest in and all claims and demands against the Company, in respect of the Shares and all other rights incidental to the Share, except only such of those rights as by these Articles expressly saved.

40. Evidence of forfeiture

A duly verified declaration in writing that the declarant is a Director or Manager or Secretary of the Company, and that a Share in the Company has been duly forfeited in accordance with these Articles on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Shares.

41. Effecting sale of Shares

Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinafter given, the Board may appoint some person to execute an instrument of Transfer of the Shares sold, cause the purchaser's name to be entered in the register in respect of the Share sold, and the purchaser shall not be bound to see to the regularity of the proceedings or to the application of the purchase money, and after his name has been entered in the Register in respect of such Shares, the validity of the sale shall not be impeached by any person.

42. Certificate of forfeited Shares to be void

Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate or certificates originally issued in respect of the relevant Shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting Member) stand cancelled and become null and void and have no effect, and the Directors shall be entitled to issue a new certificate or certificates in respect of the said Shares to the person or Persons entitled thereto.

43. Board entitled to cancel forfeiture

The Board, may at any time before any Shares are so forfeited, have been sold, re-allotted or otherwise disposed of, cancel the forfeiture thereof upon such conditions as it thinks fit.

TRANSFER AND TRANSMISSION OF SHARES

44. Register of Transfers

The Company shall keep a "Register of Transfers" and therein shall be fairly and distinctly entered particulars of every Transfer or transmission of any Shares.

45. Directors may refuse to register Transfer

The Board may, subject to the right of appeal conferred by Section 58 of the Act decline to register

- a. the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or
- b. any transfer of shares on which the Company has a lien.

The Board may decline to recognize any instrument of transfer, unless

- a. the instrument of transfer is in the form as prescribed in the rules made under sub-section (1) of Section 56 of the Act;
- b. the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
- c. the instrument of transfer is in respect of only one class of shares.

On giving not less than seven days' previous notice in accordance with Section 91 of the Act and Rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine.

Provided that such registration shall not be suspended for more than thirty days at one time or for more than forty-five days in the aggregate in any year.

46. Endorsement of Transfer

In respect of any Transfer of Shares registered in accordance with the provisions of these Articles, the Board may, at their discretion, direct an endorsement of the Transfer and the name of the transferee and other particulars on the existing share certificate and authorize any Director or officer of the Company to authenticate such endorsement on behalf of the Company or direct the issue of a fresh share certificate in lieu of and in cancellation of the existing certificate in the name of the transferee.

47. Instrument of Transfer

Subject to the provisions of Section 56 of the Act, the instrument of Transfer of any Share in the Company shall be in writing and all provisions of Section 56 of the Act and statutory modification thereof for the time being shall be duly complied with in respect of all Transfers of Shares and registration thereof.

The said instrument shall be duly executed by the transferor and the transferee; and the transferor shall be deemed to remain holder of the Shares until the name of the transferee is entered in the Register of Members in respect thereof. The instrument of Transfer shall be presented in the manner prescribed under Section 56 of the Act or any statutory modification thereof. The Company shall not charge any transfer fee for registering Transfer of Shares. The Company shall use a common form of Transfer for all classes of Shares.

48. Instrument of Transfer to be stamped

Every instrument of Transfer shall be presented within a period of 60 days from execution to the Company duly stamped for registration, accompanied by such evidence as the Board may require to prove the title of the transferor his right to Transfer the Shares, and every registered instrument of Transfer shall remain in the custody of the Company until destroyed by order of the Board.

49. Closing Register of Transfers and of Members

The Board shall be empowered, on giving not less than seven days' notice or such less period as may be specified by SEBI, by advertisement in a newspaper circulating in the district in which the Registered Office is

situated, to close the Transfer Books, the Register of Members, the Register of Debenture holders at such time or times, and for such period or periods, not exceeding thirty days at a time and not exceeding in the aggregate forty-five days in each Year, as it may seem expedient.

50. Transfer of partly paid shares

Where in the case of partly paid shares, an application for registration is to be made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of Section 56 of the Act.

51. Title to Shares of deceased Members

The executors or administrators or holders of a Succession Certificate, or the legal representatives of a deceased Member (not being one or two joint-holders) shall be the only person recognized by the Company as having any title to the Shares registered in the name of such Member, and the Company shall be bound to recognize such executors or administrators or holders of a Succession Certificate or the legal representatives shall have first obtained Probate holders or Letter of Administration or Succession Certificate as the case may be, from a duly constituted Court in the Union of India. Provided that in any case where the Board in its absolute discretion, thinks fit, the Board may dispense with the production of Probate or Letter of Administration or Succession Certificate, upon such terms as to indemnity or otherwise as the Board in its absolute discretion may think necessary and register the name of any person who claims to be absolutely entitled to the Shares standing in the name of a deceased Member as a Member.

52. Transfers not permitted

No Share shall in any circumstances be transferred to any infant, insolvent or person of unsound mind, except fully paid Shares through a legal guardian.

53. Transmission of Shares

Subject to the provisions of these presents, any person becoming entitled to Shares in consequence of the death, lunacy, bankruptcy or insolvency of any Members, or by any lawful means other than by a Transfer in accordance with these Articles may, with the consent of the Board (which it shall not be under any obligation to give), upon producing such evidence as the Board thinks sufficient, that he sustains the character in respect of which he proposes to act under this Articles, or of his title, either by registering himself as the holder of the Shares or elect to have some person nominated by him and approved by the Board, registered as such holder, provided, nevertheless, if such person shall elect to have his nominee registered, he shall testify that election by executing in favor of his nominee an instrument of Transfer in accordance with the provision herein contained and until he does so he shall not be freed from any liability in respect of the Shares.

54. Rights on Transmission

A person entitled to a Share by transmission shall, subject to the Directors right to retain such Dividends or money as hereinafter provided, be entitled to receive and may give discharge for any Dividends or other moneys payable in respect of the Share.

55. Share Certificates to be surrendered

Before the registration of a Transfer, the certificate or certificates of the Share or Shares to be Transferred must be delivered to the Company along with (save as provided in Section 56 of the Act) properly stamped and executed instrument of Transfer.

56. No fee on Transfer or Transmission:

No fee shall be charged for registration of Transfer, transmission, probate, succession certificate and letters of Administration, certificate of death or marriage, power of attorney or other similar document.

57. Company not liable to notice of equitable rights

The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any Transfer of Shares made, or purporting to be made, by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of persons having or claiming any equitable rights, title or interest in the said Shares, notwithstanding that the Company may have had notice of such equitable rights referred thereto in any books of the Company and the Company shall not be bound by or required to regard or attend to or give effect to any notice which may be given to it of any equitable rights, title or interest or be under any liability whatsoever for refusing or neglecting to do so, though it may have

been entered or referred to in some book of the Company, but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the Board shall so think fit.

DEMATERIALIZATION OF SHARES

58. The Company shall be entitled to admit securities issued by the Company to any Depository and to offer securities in a dematerialized form in pursuance to the Depositories Act, 1996.
59. Every person subscribing to securities offered by the Company, and every Member, Debenture Holder or Debenture Stock Holder shall have the option to either hold the securities in the form of security certificates or to hold the securities with a Depository. Where any Member or Debenture Holder or Debenture Stock Holder surrenders his certificate of securities held in the Company in accordance with Section 6 of the Depositories Act, 1996, and the Securities & Exchange Board of India (Depositories and Participants) Regulations, 1996, the Company shall cancel the certificate and substitute in its records the name of the relevant Depository and inform the Depository accordingly. The Company shall maintain a record of certificates of securities that have been so dematerialized. Such persons who hold their securities with a Depository can at any time opt out of the Depository, if permitted by the law, and the Company shall in such manner and within such time as prescribed by law, issue to such persons the requisite certificates of securities.
60. If a person opts to hold his Security with a Depository, the Company shall intimate such Depository the details of allotment of the Security, and on receipt of the information, the Depository shall enter in its record the name of the allottee as the Beneficial Owner of the Security.

SHARES AND SHARE CERTIFICATES

61. Issue of share certificate by the Company at any time shall be in accordance with the provisions of the Act and the Rules made thereunder.
62. Allotment on application to be acceptance of Shares
- Any application signed by or on behalf of an applicant for Shares in the Company followed by an allotment of any Share therein, shall be an acceptance of Shares within the meaning of these Articles, and every person who thus or otherwise accepts any Shares and whose name is on the register, shall, for the purpose of these articles, be a Member.
63. Returns on allotments to be made or Restrictions on Allotment
- The Board shall observe the restrictions as regards allotment of Shares to the public contained in Section 39 of the Act and as regards return on allotments, the Directors shall comply with Section 39 of the Act.
64. Money due on Shares to be a debt to the Company
- The money (if any) which the Board shall, on the allotment of any Shares being made by them, require or direct to be paid by way of deposit, call or otherwise in respect of any Shares allotted by them, shall immediately on the inscription of the name of allottee in the Register of Members as the name of the holder of such Shares become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.
65. Members or heirs to pay unpaid amounts
- Every Member or his heirs, executors or administrators shall pay to the Company the portion of the Capital represented by his Share or Shares which may, for the time being remain unpaid thereon, in such amounts, at such time or times and in such manner, as the Board shall from time to time, in accordance with the Company's regulations require or fix for the payment thereof.
66. The Company shall keep a Register and Index of Members in accordance with the provisions of Section 88 of the Act.
67. Register and Index of Beneficial owners
- The Registers and Index of Members and Debenture Holders shall be deemed to include the Registers and Index of Beneficial owners maintained under the Depositories Act, 1996, by every Depository in respect of securities issued by the Company

68. The Company shall be entitled to keep in any state or country outside India a branch Register of Members resident in that state or country.
69. The Shares shall be numbered progressively according to their several denominations. Every forfeited Share shall continue to bear the same number by which the same was originally distinguished.
70. Subject to the provisions of the Act and these Articles, Shares may be registered in the name or names of any person or Persons, Company or other body corporate.
71. Shares held jointly
- a. Where two or more persons are registered as the holders of any Share, they shall be deemed to hold the same jointly with benefits of survivorship subject to the provisions contained in these Articles.
 - b. The Company shall be entitled to decline to register more than three persons as the holders of any Share.
 - c. The joint-holders of any Share shall be liable, severally as well as jointly, for and in respect of all calls and other payments which ought to be made in respect of such Shares.
 - d. On the death of any such joint-holder, the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the Share, but the Directors may require such evidence of deaths as they may deem fit and nothing herein contained shall be taken to release the estate on the deceased joint-holder from any liability on Shares held by him jointly with any other person.
 - e. Any such joint-holders may give effectual receipts for any Dividends or other moneys payable in respect of such Shares.
 - f. Only the person whose name stands in the Register of Members as the first of the joint-holders of any Shares shall be entitled to delivery of the certificate relating to such Share or to receive notices from the Company, and any notice given to such person shall be deemed proper notice to all joint-holders.
 - g. Any one of two or more joint-holders may vote at any meeting personally or by Proxy in respect of such Shares as if he were solely entitled thereto, and if more than one of such joint-holders be present at any meeting personally or by Proxy, the holder whose name stands first or higher (as the case may be) on the Register of Members in respect of such Share shall alone be entitled to vote in respect thereof.
PROVIDED always that a person present at any meeting personally shall be entitled to vote in preference to a person present by Proxy.
72. A certificate under the Common Seal of the Company, specifying any Shares held by any Member shall be prima facie evidence of title of the Member to such Shares.
73. Responsibilities to maintain Records
- The Managing Director of the Company for the time being or if the Company has no Managing Director, every Director of the Company shall be responsible for maintenance, preservation and safe custody of all books and documents relating to the issue of Share certificates.
74. Limitation of time for issue of Certificates
- Every Member shall be entitled, without payment to one or more certificates in marketable lots, for all the Shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors so determine) to several certificates, each for one or more of such Shares and the Company shall complete and have ready for delivery such certificates within two months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application of registration of Transfer, transmission, sub-division, consolidation or renewal of any of its Shares as the case may be. Every certificate of Shares shall be under the Common Seal of the Company and shall specify the number and distinctive numbers of Shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the Directors may prescribe and approve, provided that in respect of a Share or Shares held jointly by several Persons, the Company shall not be bound to issue more than one certificate; and delivery of a certificate of Shares to one or several joint-holders shall be a sufficient delivery to all such holders.
75. A. Issue of new certificate in place of one defaced, lost or destroyed or Renewal of Certificates
- If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of Transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every certificate under the article shall be issued on payment of fees of ₹ 20.

Provided that notwithstanding what is stated above, the Directors shall comply with such rules or regulations or requirements of any Stock Exchange or the rules made under the Act or rules made under Securities Contracts (Regulation) Act, 1956, or any other Act, or rules applicable thereof in this behalf.

The provision of this Article shall mutatis mutandis apply to Debentures of the Company.

B. Renewal of Share Certificate

When a new Share certificate has been issued in pursuance of clause(A) of this Article, it shall state on the face of it and against the stub or counterfoil to the effect that it is issued in lieu of Share certificate No..... sub-divided / replaced on consolidation of Shares.

C. When a new certificate has been issued in pursuance of clause (A) of this Article, it shall state on the face of it against the stub or counterfoil to the effect that it is duplicate issued in lieu of Share certificate No..... The word 'Duplicate' shall be stamped or punched in bold letters across the face of the Share Certificate and when a new certificate has been issued in pursuance of clauses (A), (B) and (C) of this Article, particulars of every such Share Certificate shall be entered in a Register of Renewed and Duplicate Certificates indicating against it, the names of the Persons to whom the certificate is issued, the number and the necessary changes indicated in the Register of Members by suitable cross references in the "remarks" column.

D. All blank forms and share certificates shall be printed only on the authority of a resolution duly passed by the Board.

76. Subject to Section 46 of the Act and the rules made thereunder and subject to all other applicable provisions, guidelines on the subject and the listing agreement that the Company may enter into with one or more stock exchange or stock exchanges, where any Share / Debenture under the powers of the Company in that behalf herein contained is sold by the Board and the certificate in respect thereof has not been delivered up to the Company by the former holder of such Share / Debenture, the Board may issue a new certificate for such Share / Debenture distinguishing it in such manner as it may think fit from the certificate not so delivered up.

NOMINATION FACILITY

77. a) Every holder of Shares in, or holder of Debentures of the Company may, at any time, nominate, in the prescribed manner, a person to whom his Shares in, or Debentures of, the Company shall vest in the event of his death.
- b) Where the Shares in or Debentures of, the Company are held by more than one person jointly, the joint-holders may together nominate, in the prescribed manner, a person to whom all the rights in the Shares or Debentures of the Company shall vest in the event of death of all the joint-holders.
- c) Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of such Shares in, or Debentures of the Company, where a nomination made in the prescribed manner purports to confer on any person the right to vest the Shares in, or Debentures of, the Company, the nominee shall, on the death of Shareholder or holder of Debentures of the Company or, as the case may be, on the death of the joint-holders become entitled to all the rights in the Shares or Debentures of the Company or as the case may be, all the joint-holders, in relation to such Shares in, or Debentures of the Company to the exclusion of all the other Persons, unless the nomination is varied or cancelled in the prescribed manner.
- d) Where the nominee is a minor, it shall be lawful for the holder of the Shares or Debentures, to make the nomination and to appoint, in the prescribed manner, any person to become entitled to Shares in or Debentures of the Company, in the event of his death, during the minority.
- e) Any person who become a nominee by virtue of the provisions of Section 72 of the Act, upon the production of such evidence as may be required by the Board and subject as hereinafter provided elect either
- i. To be registered himself as holder of the Share or Debenture, as the case may be, or
 - ii. To make such Transfer of the Share or Debenture, as the deceased Shareholder or Debenture holder, as the case maybe, could have made.
- f) If the person being a nominee, so becoming entitled, elects to be registered as holder of the Share or Debenture, himself as the case may be, he shall deliver or send to the Company notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased shareholder or debenture holder, as the case may be.
- g) All the limitations, restrictions and provisions of this Act relating to the right to Transfer and registration of Transfers of Shares or Debentures shall be applicable to any such notice or Transfer as aforesaid as if

the death of the Member had not occurred and the notice or Transfer were signed by that shareholder or debenture holder, as the case may be.

- h) A person, being a nominee, becoming entitled to a Share or Debenture by reason of the death of the holder shall be entitled to the same Dividends and other advantages to which he would be entitled if he were the registered holder of the Shares or Debenture, except that he shall not, before registering a Member in respect of his Share or Debenture, be entitled in respect of it to exercise any right conferred by membership in relation to the meetings of the Company.
- i) Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to Transfer the Share or Debenture, and if the notice is not complied with within ninety days, the Board may thereafter, withhold payment of all Dividends, bonuses or other monies payable in respect of the Share or Debentures, until the requirements of the notice have been complied with.
- j) A depositor may, in terms of Sections 73 and 76 of the Act, at any time, make a nomination and the above provision shall, as far as may be apply to the nomination made under the sub-section.

78. Copies of Memorandum and Articles to be sent to Members

Copies of the Memorandum and Articles of Association of the Company and other documents referred to in Section 17 of the Act shall be sent by the Company to every Member at his request, within seven days of the request on payment of such sum as may be prescribed.

DEBENTURE

79. Term of Issue of Debenture

Any Debentures, debenture stock or other securities may be issued at a discount, premium or otherwise, and may be issued on condition that they shall be convertible into Shares of any denomination, and with any privileges and conditions as to redemption, surrender, drawing, allotment of Share and attending (but not voting) at General Meeting, appointment of Directors and otherwise. Debentures with the right to conversion into Shares shall be issued only with the consent of the Company in General Meeting accorded by a special resolution.

80. Assignment of Debentures

Such Debentures, debenture-stock, bonds or other securities may be assignable free from any equities between the Company and the person to whom the same may be issued.

81. Debenture Directors

Any Trust Deed for securing Debentures or Debenture-stock may if so arranged provide for the appointment from time to time by the trustee thereof or by the holders of Debentures or debenture stock of some person to be a Director of the Company and may empower such trustee or holders of Debentures or Debenture-stock from time to time to remove any Directors so appointed. A Director appointed under this Article is herein referred to as a "Debenture Director" and the Debenture Director shall mean a Director for the time being in office under this Article. A Debenture Director shall not be bound to hold any qualification Shares, shall not be liable to retire by rotation or be removed by the Company. The Trust Deed may contain such ancillary provisions as may be arranged between the Company and the Trustees and all such provisions shall have effect notwithstanding any of the other provisions herein contained.

82. The provisions herein contained relating to Transfer and transmission shall also apply to Debentures in the same manner as they apply to Shares.

83. Register of Charges

The Directors shall cause a proper register to be kept, in accordance with the Act, of all charges registered under the Act and shall duly comply with the requirements of the Act in this regard to the registration of mortgages and charges therein specified.

84. Subsequent assigns of uncalled capital

Where any uncalled capital of the Company is charged, all Persons taking any subsequent charge thereon shall take the same, subject to such prior charges and shall not be entitled to obtain priority over such prior charge.

GENERAL MEETINGS

85. Annual General Meetings

The Company shall, in addition to any other meetings, hold a General Meeting which shall be called as the Annual General Meeting, at the intervals and in accordance with the provisions of the Act.

86. Extraordinary General Meetings

The Board may, whenever it thinks fit, convene an Extraordinary General Meeting at such date, time and at such place as it deems fit, subject to such directions if any, given by the Board.

87. Extraordinary Meetings on requisition

The Board shall, on the requisition of Members, convene an Extraordinary General Meeting of the Company in the circumstances and in the manner provided under Section 100 of the Act.

88. Notice for General Meetings

All General Meetings shall be convened by giving not less than clear twenty- one days' notice excluding the day on which the notice is served or deemed to be served (i.e. on expiry of 48 hours after the letter containing the same is posted) and the date of the meeting, specifying the place and hour of the meeting, and in case of any special business proposed to be transacted, the nature of that business shall be given in the manner mentioned in Section 102 of the Act. Notice shall be given to all the shareholders and to such Persons as are under Act and / or these Articles entitled to receive such notice from the Company but any accidental omission to give notice to or non-receipt of the notice by any Member shall not invalidate the proceedings of any General Meeting.

89. Shorter Notice admissible

With the consent of 95 percent of the Members entitled to vote at the General Meeting, any General Meeting may be convened by giving a shorter notice of less than clear twenty one days.

90. Special and Ordinary Business

- a. All business shall be deemed special that is transacted at an Extraordinary General Meeting, and also that is transacted at an Annual General Meeting, with the exception of the consideration of the financial statements and the reports of the Board of Directors and Auditors, declaration of Dividend the appointment of Directors in place of those retiring by rotation and the appointment of and fixing up of the remuneration of the auditors.
- b. In case of special business as aforesaid, an explanatory statement as required under Section 102 of the Act shall be annexed to the notice of the meeting.

91. Quorum for General Meeting

Such number of Members as prescribed under Section 103 of the Act, entitled to be personally present depending upon the number of Members of the Company from time to time, shall be quorum for a General Meeting and no business shall be transacted at any General Meeting unless the requisite quorum is present at the commencement of the meeting.

92. Adjournment for want of quorum

If within half an hour from the time appointed for a meeting a quorum is not present, the meeting, if called upon the requisition of Members, shall be dissolved and in any other case, it shall stand adjourned to the same day in the next week at the same time and place, or to such other date and such other time and place as the Board may determine, and if at the adjourned meeting also a quorum is not present within half an hour from the time appointed for the meeting, the Members present shall be quorum.

Provided that in case of an adjourned meeting or of a change of day, time or place of meeting under clause (a), the company shall give not less than three days' notice to the Members either individually or by publishing an advertisement in the newspapers (one in English and one in vernacular language) which is in circulation at the place where the registered office of the company is situated.

93. Chairman of General Meeting

The Chairman, if any, of the Board of Directors shall preside as Chairman at every General Meeting of the Company.

94. Election of Chairman

If there is no such Chairman, or if at any meeting he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as Chairman, the Directors present shall choose among themselves another Director as Chairman, and if no Director is present, or if all the Directors decline to take the chair, then the Members present shall choose from themselves to be the Chairman for that meeting.

95. Adjournment of Meeting

The Chairman may, with the consent given in the meeting at which a quorum is present (and shall if so directed by the meeting) adjourn that meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When the meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as nearly as may be in the case of an original meeting. Save as aforesaid and as provided in Section 103 of the Act, it shall not be necessary to give any notice of adjournment of the business to be transacted at an adjourned meeting.

96. Voting at Meeting

Subject to any rights or restrictions for the time being attached to any class or classes of shares:

- (a) on a show of hands, every Member present in person shall have one vote; and
- (b) on a poll, the voting rights of Members shall be in proportion to his share in the paid-up equity share capital of the Company.

Votes casted by the shareholders through e-voting shall be conclusive. A poll (before or on the declaration of the result of the e-voting) can be demanded in accordance with the provisions of Section 109 of the Act by the shareholder, provided that he has not voted on all or certain specific resolution through e-voting method. Unless a poll is so demanded, a declaration by the Chairman that the resolution, through e-voting has been carried unanimously or by a particular majority or lost and an entry to that effect in the book of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favor of or against that resolution.

Notwithstanding anything contained herein this Articles of Association, the Company may or may not provide e-voting facility to its shareholders in the event, it is not mandatory under any applicable law, rules or regulations for the time being in force.

97. Decision by poll

If a poll is duly demanded, it shall be taken in such manner as the Chairman directs, and the results of the e-voting and poll together shall be deemed to be the decision of the meeting on the resolution in respect of which the poll was demanded.

98. Casting vote of Chairman

In case of equal votes, whether under e-voting only or a poll followed thereby, the Chairman of the meeting shall be entitled to a casting vote in addition to the vote or votes to which he may be entitled to as a Member.

99. Poll to be immediate

- a. A poll demanded on the election of Chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time not later than forty eight hours from the time of demand, as the Chairman of the meeting directs.
- b. A demand for a poll shall not prevent the continuance of a Meeting of the transaction of any business other than that on which a poll has been demanded. The demand for a poll may be withdrawn.

100. Passing resolutions by Postal Ballot

- a. Notwithstanding any of the provisions of these Articles the Company may, and in the case of resolutions relating to such business as notified under the Companies (Management and Administration) Rules, 2014 to be passed by postal ballot, shall get any resolution passed by means of a postal ballot, instead of transacting the business in the General Meeting of the Company.

- b. Where the Company decides to pass any resolution by resorting to postal ballot, it shall follow the procedures as prescribed under Section 110 of the Act and the Companies (Management and Administration) Rules, 2014, as amended from time to time.

VOTE OF MEMBERS

101. Voting rights of Members

- a. On a poll, every Member holding equity shares therein shall have voting rights in proportion to his Shares.
- b. On a poll, a Member having more than one vote, or his Proxy or other Persons entitled to vote for him, need not use all his votes in the same way.
- c. A Member may exercise his vote at a meeting by electronic means in accordance with Section 108 of the Act, and shall vote only once.

102. Voting by joint-holders

In the case of joint-holders, the vote of the first named joint-holder, who tenders a vote whether in person or by Proxy, shall be accepted to the exclusion of the votes of other joint-holders.

103. Voting by Member of unsound mind

A Member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by Proxy.

104. No right to vote unless calls are paid

No Member shall be entitled to vote at any General Meeting unless all calls or other sums presently payable by him have been paid, or in regard to which the Company has exercised any right of lien.

105. Proxy

On a poll, votes may be given either personally or by Proxy.

106. Instrument of Proxy

The instrument appointing a Proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarized copy of that power or authority, shall be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of Proxy shall not be treated as valid.

107. An instrument appointing a Proxy shall be in the form as prescribed in the rules made under Section 105 of the Act.

108. Validity of Proxy

A vote given in accordance with the terms of an instrument of Proxy shall be valid, notwithstanding the previous death of or insanity of the principal, or the revocation of the Proxy or of the authority under which the Proxy was executed or the Shares in respect of revocation or Transfer, shall have been received by the Company at its Office before the commencement of the meeting or adjourned meeting at which the Proxy is used.

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the Proxy is used.

109. Corporate Members

Any Corporation which is a Member of the Company may, by resolution of its Board of Director or other governing body, authorize such person as it thinks fit to act as its representative at any meeting of the Company, and the said person so authorized shall be entitled to exercise the same powers on behalf of the Corporation which he represents as that Corporation could have exercised if it were an individual Member of the Company.

DIRECTORS

110. Until otherwise determined by a General Meeting, the number of Directors shall not be less than three and shall be not more than fifteen, including all kinds of Directors.
111. A Director shall not be required to hold any qualification shares.
112. The Board of Directors shall have power at any time, and from time to time, to appoint one or more Persons as Additional Directors, provided that the number of Directors and Additional Directors together shall not exceed the maximum number fixed. An Additional Director so appointed shall hold office upto the date of the next Annual General Meeting of the Company and shall be eligible for re-election by the Company at that Meeting.
113. Subject to the provision of 161 and 152 of the Act, the Board shall have power at any time, and from time to time, to appoint any other qualified person to be a director to fill a casual vacancy. Any person so appointed shall hold office only upto the date which the Director in whose place he is appointed would have held office if it had not been vacated by him.
114. In accordance with the provisions of the Act, the Board of Directors may appoint any individual, not being a person holding any alternate directorship for any other Director in the Company to be an Alternate Director for any Director of the Company during his absence for a period of not less than three months from India; provided such appointee whilst he holds office as an alternate director shall be entitled to notice of all the meetings of the Board, and to attend and vote thereat and on all resolutions proposed by circulation.
- Provided that no person shall be appointed as an alternate Director for an independent Director unless he is qualified to be appointed as an independent Director under the provisions of the Act.
115. Equal power to all the Directors
- Except as otherwise provided in these Articles, all the Directors of the Company shall have in all matters equal rights and privileges and be subject to equal obligations and duties in respect of the affairs of the Company.

ROTATION AND RETIREMENT OF DIRECTOR

116. One-third of Directors to retire every year
- At the Annual General Meeting of the Company, one third of such of the Directors as are liable to retire by rotation for time being, or, if their number is not three or a multiple of three then the number nearest to one third shall retire from office, and they will be eligible for re-election. Provided nevertheless that the Independent Directors appointed under Section 149 of the Act shall not retire by rotation under this Article nor shall they be included in calculating the total number of Directors of whom one third shall retire from office under this Article.
117. Retiring Directors eligible for re-election
- A retiring Director shall be eligible for re-election and the Company, at the Annual General Meeting at which a Director retires in the manner aforesaid, may fill up the vacated office by electing a person thereto.
118. Retirement of Director
- The Directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lots.
119. Retiring Director to remain in office till successors appointed
- Subject to the provisions of the Act, if at any meeting at which an election of Directors ought to take place, the place of the vacating Director(s) is not filled up and the meeting has not expressly resolved not to fill up the vacancy and not to appoint the retiring director, the meeting shall stand adjourned till the same day in the next week at the same time and place or if that day is a public holiday till the next succeeding day which is not a public holiday at the same time and place, and if at the adjourned meeting the place of the Retiring Director(s) is not filled up and the meeting has also not expressly resolved not to fill up the vacancy, then the retiring Director(s) or such of them as have not had their places filled up, shall be deemed to have been reappointed at the adjourned Meeting.

120. The Company may from time to time, in General Meeting increase or reduce the number of Directors subject to approval by the shareholders by special resolution in case of an increase over the limit prescribed by Section 149 of the Act.
121. Power to remove Director by ordinary resolution
- Subject to the provisions of the Act, the Company may by an ordinary resolution in General Meeting remove any Director before the expiration of his period of office and may, by an ordinary resolution, appoint another person instead; the person so appointed shall be subject to retirement at the same time as if he had become a Director on the day on which the Director in whose place he is appointed was last elected as Director.
122. Right of persons other than retiring Directors to stand for Directorship
- A person not being a retiring Director shall be eligible for appointment to the office of a Director at any General Meeting if he or some other Member intending to propose him as a Director not less than 14 days before the meeting has left at the Registered Office of the Company, a notice in writing under his hand signifying his candidature as a the Director or the intention of such Member to propose him as a candidate as a Director as the case may be, along with the prescribed deposit amount which shall be refunded to such person or as the case may be, to such Member if the person succeeds in getting elected as Directors or gets more than 25% of total valid votes cast either as show of hands or on poll on such resolution.
123. Directors not liable for retirement
- Subject to the applicable provisions of the Act, the Company in General Meeting may, when appointing a person as a Director declare that his continued presence on the Board of Directors is of advantage to the Company, and that his office as Director shall not be liable to be determined by retirement by rotation for such period until the happening of any event of contingency set out in the said resolution.
124. The Board shall be entitled to appoint any one or more of them as Technical / Financial / Managing / Special / Executive / Whole-Time Director / such other Designated Whole-Time Directors whose terms of appointment shall be as may be as decided by the Board, subject to the provisions of the Act.
125. Nominee Director
- In case the Company enters into any agreement with the Central Government or State Government or Financial Institution or with any Institution for providing financial assistance by way of loan, subscription to Debentures, providing any guarantee or underwriting or subscription to Shares of the Company, subject to the provisions of Section 152 of the Act, such agreement may contain a clause that such Government or Financial Institution or Institutions shall have the right to appoint or nominate, by notice in writing addressed to the Company, one or more Directors on the Board of Directors of the Company, till the period of satisfaction of debt and upon such conditions as may be mentioned in the agreement and such Director/s shall be liable to retire by rotation however, would not be required to hold any qualification Shares.

POWERS AND DUTIES OF BOARD OF DIRECTORS

126. The business of the Company shall be managed by the Board, who may exercise all such powers of the Company as are not, by the Act or any statutory modifications thereof for the time being in force or by these Articles, require to be exercised by the Company in General Meeting subject nevertheless to any regulation of these Articles or to the provision of the said Act and so such regulations being not inconsistent with the aforesaid regulations or provisions as may be prescribed by the Company in General Meeting; but no regulations made by the Company in General Meetings, shall invalidate any prior act of the Board which would have been valid if the regulation had not been made.
127. Any branch or kind of business which by the Memorandum of Association of the Company or by these presents is expressly or by implication authorized to be undertaken by the Company may be undertaken by the Board at such time or times as they shall think fit, and further may be kept by them in abeyance whether such branch or kind of business may have been actually commenced or not so long as the Board may deem it expedient not to commence or proceed with such branch or kind of business.
128. Subject to Section 179 of the Act, the Board may delegate all or any of its powers with respect to clause (d), (e) and (f) of Section 179(3) of the Act, to any Directors jointly or severally, or to any one Director or a Committee of Directors, or to any other principal officer of the Company.
129. The Board may appoint at any time and from time to time by a power of attorney under the Company's Common Seal, any person to be the attorney of the Company for such purposes and with such authorities and discretions not exceeding those vested in or exercisable by the Board in these Articles, and for such period and

subject to such conditions as the Board may from time to time think fit and any such Power of Attorney may contain such provisions for the protection and convenience of Persons dealing with such Attorney as the Board may think fit.

PROCEEDINGS OF BOARD OF DIRECTORS

130. Meetings of the Board

- a. The Board of Directors shall hold at least four meetings every year in such a manner that not more than 120 days shall intervene between two consecutive meetings of the Board.
- b. The Managing Director may, at any time summon a meeting of the Board, and the Managing Director or a Secretary or a person authorized in this behalf on the requisition of Director shall at any time summon a meeting of the Board. Notice in writing of every meeting of the Board shall be given to every Director for the time being in India, and at his usual address in India to every other Director.

131. Quorum

The quorum for a meeting of the Board shall be one-third of its total strength (any fraction contained in that one-third being rounded off as one) or two Directors, whichever is higher, and participation of the Directors by video conferencing or audio visual shall also be counted for the purpose of quorum. Provided that where at any time the number of interested Directors is equal to or exceeds two-thirds of total strength, the number of remaining Directors, that is to say the number of Directors who are not interested, present at the meeting being not less than two, shall be the quorum during such time. The total strength of the Board shall mean the number of Directors actually holding office as Directors on the date of the resolution or meeting, that is to say, the total strength of Board after deducting therefrom the number of Directors, if any, whose places are vacant at the time.

132. Decisions of the Board

- a. Save as otherwise expressly provided in the Act, a meeting of the Board for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under the Regulations of the Company for the time being vested in or exercisable by the Directors generally and all questions arising at any meeting of the Board shall be decided by a majority of the Board.
- b. In case of an equality of votes, the Chairman shall have casting vote in addition to his vote as a Director.

133. Right of continuing Directors when there is no quorum

The continuing Directors may act notwithstanding any vacancy in the Board but if and so long as their number is reduced below three, the continuing Directors or Director may act for the purpose of increasing the number of Directors to three or of summoning a General Meeting of the Company but for no other purpose.

134. Election of Chairman of Board

- a. The Board may elect a Chairman of its meeting and determine the period for which he is to hold office.
- b. If no such Chairman is elected, or at any meeting the Chairman is not present within five minutes after the time appointed for holding the meeting, the Directors present may choose one among themselves to be the Chairman of the Meeting.

135. Delegation of Powers

- a. The Board may, subject to the provisions of the Act, delegate any of its powers to Committees consisting of such Members of its body as it thinks fit.
- b. Any Committee so formed shall, in the exercise of the power so delegated, conform to any regulations that may be imposed on it by the Board.

136. Election of Chairman of Committee

- a. If the Chairman of the Board is a Member of the Committee, he shall preside over all meetings of the Committee, if the Chairman is not a Member thereof, the Committee may elect a Chairman of its meeting.
If no such Chairman is elected or if at any meeting the Chairman is not present within five minutes after the time appointed for holding the meeting, the Members present may choose one among themselves to be the Chairman of the Meeting.
- b. The quorum of a Committee may be fixed by the Board of Directors.

137. Decisions at the Committee meetings

- a. A Committee may meet and adjourn as it thinks proper.

- b. Questions arising at any meeting of a Committee shall be determined by the sole Member of the Committee or by a majority of votes as the Members present as the case may be and in case of an equality of vote the Chairman shall have a casting vote, in addition to his vote as a Member of the Committee.

138. Validity of acts done by Board or a Committee

All acts done by any meeting of the Board, of a Committee thereof, or by any person acting as a Director shall notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such Directors, or of any person acting as aforesaid or that they or any of them were disqualified be as valid as if even such Director or such person has been duly appointed and was qualified to be a Director.

139. The Members of the Board or any Committee of the Board may participate in any Board Meeting or Committee Meeting, by means of audio-visual or video-conference facilities or any other modern communication equipment, by means of which all Persons participating in the meeting can hear each other at the same time and participation by such means, subject to the provisions of the Act, shall constitute presence in person at such meeting and hence shall also count for the purpose of quorum.

140. Resolution by Circulation

Save as otherwise expressly provided in the Act, a resolution in writing circulated in draft together with the necessary papers, if any, to all the Directors or to all the Members of the Committee then in India, not being less in number than the quorum fixed of the meeting of the Board or the Committee, as the case may be and to all other Directors or Members at their usual address in India and approved by such of the Directors as are then in India or by a majority of such of them as are entitled to vote at the resolution shall be valid and effectual as it had been a resolution duly passed at a meeting of the Board or Committee duly convened and held.

MANAGING / WHOLE TIME DIRECTOR

141. Subject to the provisions of Sections 2(54), 2(94) and other applicable Sections, if any, of the Act, or as per Schedule V of the Act the Company by ordinary resolution or special resolution and / or the Board may from time to time appoint one or more of the Directors to be Managing Directors, Executive Directors or whole-time Directors of the Company for a term not exceeding five years at a time and may from time to time and subject to provisions of any contract between him or them and the Company, remove or dismiss him or them from office and appoint another or others in his or their place of places.
142. Subject to Section 152 of the Act, Managing Directors, Executive Director or Whole-time Director shall not be liable to retirement by rotation as long as he holds office of Managing Director, Executive Director or whole time director of the Company.
143. If Managing Director, Executive Director or Whole-time Director ceases to hold office of Director, he shall, ipso facto and immediately, cease be a Managing Director, Executive Director or Whole-time Director, as the case may be.
144. The Managing Directors, Executive Director / whole-time director shall have subject to the supervision, control and discretion of the Board, the management of the whole of the business of the Company and of all its affairs. Subject to the provisions of the Act and in particular to the prohibitions and restrictions in Section 179 of the Act, the Board may, from time to time, entrust to and confer upon a Managing Director, Executive Director or Whole-time Director for the time being such of the powers exercisable under these presents by the Board as it may think fit, and may confer such powers for such time, and to be exercised for such objects and purposes, and upon such terms and conditions, and with such restrictions (if any) as it thinks expedient, and if may confer such powers, either collaterally with or to the exclusion of and in substitution for all or any of the powers of the Board, in that behalf and may from time to time delegate, revoke, withdraw, alter or vary all or any of such powers.

REMUNERATION TO DIRECTORS

145. Subject to the provisions of Section 2(78), 2(94), 197 and Schedule V of the Act, the Board of Directors may, on the recommendations of the Compensation and Remuneration Committee or by such other name as may be called, constituted by the Board, determine the remuneration payable to the Managing Director, the Executive Directors or the Whole Time Directors as the case may be, in any manner they may deem fit. The remuneration may be in the form of a monthly salary or a commission based on profits or partly in one way and partly in another as the Board may deem fit.
146. The Directors may, in addition to the remuneration referred to in the preceding clause, provide the Managing Director, the Executive Directors or Whole Time Director as the case may be, such allowances, amenities, benefits and facilities as they may deem fit from time to time with such sanction as may be necessary.

147. The Managing Director, the Executive Directors or Whole Time Director as the case may be, shall be entitled to be reimbursed all his or their out-of-pocket expenses incurred by him or them in connection with the business of the Company.
148. Subject to the provisions of Section 197 of the Act, the Directors of the Company may be paid remuneration by way of commission at such percentage as they deem fit of the net profits of the Company computed in the manner referred to in Section 198 of the Act, to be shared and distributed amongst the Directors inter-se in such proportions or proportions as they deem fit.
149. The Directors for the time being of the Company may be paid a sitting fee as may be decided by the Board from time to time subject to the ceiling provided by the Act, for every meeting of the Board or of a Committee of the Board attended by them in addition to all traveling expenses by rail, road or air as the case may be and such other allowances as the Board may decide from time to time in respect of halting and other expenses incurred by them in attending and returning from such meeting of the Board or of any Committee of the Board and also for other visits made by Director for the Company's business subject to the provisions of the Act.
150. If any Director is appointed to advise the Board as an expert or be called upon to perform extra services to make special exertion for any of the purposes of the Company, the Board may subject to and in accordance with the provisions of the Act and in particular Sections 197 and 188 of the Act, pay to such Director/s such special remuneration as they may think fit which remuneration may be in the form of salary and / or commission and /or percentage of profits and may either be in addition to or in substitution of the remuneration specified in the last preceding Article.

CHIEF EXECUTIVE OFFICER, MANAGER, SECRETARY OR CHIEF FINANCIAL OFFICER

151. A Chief Executive Officer, Manager and/or Secretary and/or Chief Financial Officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any Chief Executive Officer, Manager or Secretary and Chief Financial Officer, so appointed may be removed by means of resolution of the Board.
152. A Director may be appointed as Chief Executive Officer, Manager, or Secretary or Chief Financial Officer.

THE COMMON SEAL

153. The Board shall provide a Common Seal for the purpose of the Company and shall have power from time to time to destroy the same and substitute a new Common Seal in lieu thereof. The Common Seal shall be kept at the Registered Office of the Company and committed to the custody of the Managing Director or Executive Director or the Secretary, if there is one.
154. The Board shall provide for the safe custody of the Common Seal.
155. The Common Seal shall not be affixed on any instrument except by the authority of resolution of the Board or of a Committee of the Board authorized in that behalf.
156. The Common Seal shall be affixed in presence of a Director, and the Company Secretary or such other person(s) as the Board may authorize in this behalf, from time to time.
157. The Company can have an official Common Seal abroad.

CAPITALISATION OF PROFITS

158. The Company in General Meeting may, upon the recommendation of the Board, resolve:
 - a. that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and
 - b. that such sum be accordingly set free for distribution in the manner specified in Article 175 amongst the Members who would have been entitled thereto, if distributed by way of Dividend and in the same proportions.
159. The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in Article 176, either in or towards -
 - a. paying up any amounts for the time being unpaid on any Shares held by such Members respectively;
 - b. paying up in full, unissued Shares of the Company to be allotted and distributed, credited as fully paid up, to and amongst such Members in the proportions aforesaid; or

- c. partly in the way specified in sub-clause (a) and partly in that specified in sub-clause (b).
160. A Securities Premium Account and a Capital Redemption Reserve Account may, for the purposes of this Article, only be applied in the paying up of unissued Shares to be issued to Members of the Company as fully paid bonus Shares.
161. The Board shall give effect to the resolution passed by the Company in pursuance of this Article.
162. Whenever such a resolution as aforesaid is passed, the Board shall –
- i. make all appropriations and applications of the undivided profits resolved to be capitalized thereby, and all allotments and issues of fully paid shares, if any; and
 - ii. generally do all acts and things required to give effect thereto
163. The Board shall have power:
- a. to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of Shares becoming distributable in fractions; and
 - b. to authorize any person to enter, on behalf of all the Members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further Shares to which they may be entitled upon such capitalization, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalized, of the amount or any part of the amounts remaining unpaid on their existing Shares;
164. Any agreement made under such authority shall be effective and binding on all such Members.

DIVIDEND

165. Dividend
- Subject to the provisions of the Act, the Dividend should be paid out of profits at the rate declared at the General Meeting but not exceeding as recommended by the Board, in proportion to the Capital paid up on Shares after providing for depreciation.
166. Reserve
- Before recommending any Dividend, the Board may set aside certain amount of profits as Reserves, which shall be applied in the manner as may be from time to time decided by the Board. The Board may carry forward the profits without declaring Dividend.
167. Deduction of arrears
- The Board may deduct from any Dividend payable to any Members, all sums of money, if any, presently payable by him to the Company on account of the calls or otherwise in relation to the Shares of the Company.
168. Adjustment of Dividends against calls
- Any general meeting declaring a Dividend may make a call on the Members as such amount as the meeting fixed, but so that the call on each Member shall not exceed the Dividend payable to him and so that the call be made payable at the same time as the Dividend and the Dividend may, if so arranged between the Company and the Members be set off against the call.
169. Notice of Dividends
- Notice of any Dividend that may have been declared shall be given to the Persons entitled to Share thereto in the manner mentioned in the Act.
170. Dividends not to bear interest
- No Dividends shall bear interest against the Company.
171. Transfer of Shares not to pass right to Dividends
- Subject to the provisions of Section 126 of the Act, any Transfer of Shares shall not pass the right to any Dividend declared thereon before the registration of the Transfer.

172. Mode of payment of Dividend

Dividend shall be paid by cheque or warrant or through electronic payment mechanism to the Members whose name appears on the Register of Members on a particular day, as may be decided by the Board.

173. Unpaid or Unclaimed Dividend

- a. Where the Company has declared a Dividend but which has not been paid or claimed or the Dividend warrant in respect thereof has not been posted within 30 days from the date of declaration to any Shareholder entitled to the payment of the Dividend, the Company shall within 7 days from the date of expiry of the said period of 30 days, open a special account in that behalf in any scheduled bank called **"Unpaid Dividend of Opal Luxury Time Products Limited"** and transfer to the said account the total amount of Dividend which remains unpaid or in relation to which no Dividend warrant has been posted.
- b. Any money Transferred to the unpaid Dividend account of the Company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the Company to Investors Education and Protection Fund.
- c. No unclaimed or unpaid Dividend shall be forfeited by the Board and the Directors shall comply with provisions of Section 124 of the Act, as regards unclaimed Dividends.

ACCOUNTS

174. The books of accounts shall be kept at the Registered Office of the Company or subject to the provisions of Section 128 of the Act at such other place or places as the Directors think fit, and shall be open to inspection by the Directors during business hours.

175. The accounts of the Company shall be audited by the auditors appointed as per the provisions of the Act. Subject to the provisions of the Act, the accounts when audited and approved at the Annual General Meeting shall be conclusive.

176. The Directors shall, subject to the provisions of Section 128 of the Act, from time to time determine whether and to what extent and at what times and places, and under what conditions or regulations the accounts and books of the Company of any of them shall be open to the inspection of Members not being Directors and no Member (not being a Director) shall have any right of inspecting any account or books or documents of the Company except as conferred by law or authorized by the Directors or by the Company in General Meeting.

177. As per the provisions of the Act, Board shall arrange to prepare and place before the Company in the Annual General Meeting, audited Balance Sheet and profit and loss account, copy of which should be sent to all Members entitled thereto.

INSPECTION

178. Where under any provisions of the Act or any agreement with the Company, any person, whether a Member of the Company or not is entitled to inspect any register, return, certificate, deed, instrument or document required to be kept or maintained by the Company, the person so entitled to inspection shall be permitted to inspect the same during the hours of 2 p.m. to 4 p.m. on any working day unless otherwise determined by the Company in General Meeting.

SERVICE OF DOCUMENTS AND NOTICE

179. Manner of serving notice or document on the Company A document may be served on the Company or an officer, by sending it to the Company or officer at Registered Office of the Company by post under a certificate of posting or by Registered Post or by courier service, or by leaving it at the Registered Office or by means of such electronic or other mode, as may be prescribed, subject to where the securities are held with the Depository, the records of the Beneficial ownership may be served by such Depository on the Company by means of electronic or other mode.

180. Manner of serving notice on Members

- a. A document (which expression for this purpose shall be deemed to have included and include any summons, notice requisition, process order, judgment or any other document in relation to or in winding up of the Company) may be served or sent to any Member either personally or by sending it by post or by registered post or speed post or by courier or by delivering at his office to his registered address or (if he has no registered address in India) to the address, if any, within India supplied by him to the Company for the service of notice to him or by such electronic or other mode as may be prescribed. Where securities are held in a depository, the record of the beneficial ownership may be served by such depository on the Company by means of hard copies or through electronic mode or by delivery of floppies or discs. The Company shall use the records provided by the Depository for service notice on Members either personally or by sending it by post or by registered post or speed post or by courier or by delivering at his office to his registered address or

(if he has no registered address in India) to the address, if any, within India supplied by him to the Company for the service of notice to him or by such electronic or other mode as may be prescribed.

- b. All notices shall, with respect to Shares held by persons jointly, be given to such person who is named as first holder in the Register of Members and the notice so given shall be sufficient notice to all the holders of such Share.
- c. Where a document is sent by post
 - (i) Service thereof shall be deemed to be effected by properly addressing, paying and posting a letter containing the notice provided that where a Member has intimated to the Company in advance that documents should be sent to him by registered post without acknowledgement due and has deposited with the Company a sum sufficient to defray expenses of doing so, service of the documents shall not be deemed to be effected unless it is sent in the manner intimated by the Member, and
 - (ii) Unless the contrary is provided, such service shall be deemed to have been effected
 - a. In the case of a notice of a meeting, at the expiration of forty-eight hours after the letter containing the notice is posted; and
 - b. In any other case, at the time at which the letter would be delivered in ordinary course of post.

181. Members to notify address in India

Each registered holder of Shares from time to time notify in writing to the Company such place in India to be registered as his address and such registered place of address shall for all purposes be deemed to be his place or residence.

182. Service on Members having no registered address

If a Member has no registered address in India, and has not supplied to the Company an address within India, for the giving of the notices to him, a document advertised in a newspaper circulating in the neighborhood of Registered Office of the Company shall be deemed to be duly served to him on the day of which the advertisement appears.

183. Service on Persons acquiring Shares on death or insolvency of Members

A document may be served by the Company on the Persons entitled to a Share in consequence of the death or insolvency of a Member by sending it through the post in a prepaid letter addressed to them, by name or by the title or representatives of the deceased, assignees of the insolvent by any like description at the address (if any) in India supplied for the purpose by the Persons claiming to be so entitled, or (until such an address has been so supplied) by serving the document in any manner in which the same might have been served as if the death or insolvency had not occurred.

184. Persons entitled to notice of General Meetings

Subject to the provisions of the Act and these Articles, notice of General Meeting shall be given

- (i) to the Members of the Company as provided by these presents;
- (ii) to the Persons entitled to a Share in consequence of the death or insolvency of a Member; and
- (iii) to the Auditors for the time being of the Company; in the manner authorized by as in the case of any Member or Members of the Company.

185. Notice by advertisement

Subject to the provisions of the Act any document required to be served or sent by the Company on or to the Members, or any of them and not expressly provided for by these presents, shall be deemed to be duly served or sent if advertised in a newspaper circulating in the District in which the Registered Office is situated.

186. Members bound by document given to previous holders

Every person, who by the operation of law, Transfer or other means whatsoever, shall become entitled to any Shares shall be bound by every document in respect of such Share which, previously to his name and address title to such Share.

187. Any notice to be given by the Company shall be signed by the Managing Director or by such Director or Officer as the Directors may appoint. The signature to any notice to be given by the Company may be written or printed or lithographed.

AUTHENTICATION OF DOCUMENTS

188. Authentication of documents and proceedings

Save as otherwise expressly provided in the Act or these Articles, a document or proceeding requiring authentication by the Company may be signed by a Director, the Managing Director, the Whole Time / Executive Director, the Manager, the Chief Financial Officer, the Secretary or an authorized officer of the Company and need not be under its Common Seal.

WINDING UP

189. Subject to the provisions of Chapter XX of the Act and rules made thereunder-

- a. If the Company is wound up, the liquidator may, with the sanction of a Special Resolution of the Company and any other sanction required by the Act, divide amongst the Members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.
- b. For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members.
- c. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no Member shall be compelled to accept any Shares or other securities whereon there is any liability.

INDEMNITY OF RESPONSIBILITY

190. Subject to the provisions of the Act, the Directors, key managerial person, auditors or every other officer for the time being of the Company and any trustee for the time being acting in relation to any of the affairs of the Company and their heirs, executors and administrators respectively shall be indemnified out of the assets of the Company from and against all suits, proceedings, costs, charges, losses, damages and expenses which they or any of them shall or may incur or sustain by reason of any act done or omitted in or about the execution of their duty in their respective office of trust, except such (if any) as they shall incur or sustain by or through their own willful neglects or defaults respectively and no such officer or trustee shall be answerable for the Acts, repairs, neglects or defaults of any other officer or trustee or for joining in any receipt for the sake of conformity or for the solvency or honesty of any bankers or other Persons with whom any monies of effects belonging to the Company may be lodged or deposited for safe custody or for any insufficiency, deficiency of any security upon which any monies of the Company shall be invested for any other loss or damage due to any such causes as aforesaid or which may happen in or about the execution of his office or trust unless the same shall happen through the willful neglect or default of such officer or trustee.

SECRECY

191. Secrecy

Every Director (Executive / Non-Executive), Chief Financial Officer, Secretary, auditor or any other officer or employee of the Company shall if so required by the Directors, before entering upon duties, sign a declaration pledging to observe a strict secrecy respecting all the affairs of a Company.

192. Secrecy Restriction

- a. Subject as conferred by law no Member not being a Director shall entitled to visit or inspect any accounts, books, documents or works of the Company without the permission of the Director or require discovery of any of Company's trade secret process or any other matter which would in the opinion of the Directors be expedient in the interest of the Company not to disclose.
- b. Subject as conferred by law no Member not being a Director shall be entitled to visit or inspect any accounts, books, documents or works of the Company without the permission of the Director or require discovery of any of Company's trade secret process or any other matter which would in the opinion of the Directors be expedient in the interest of the Company not to disclose.

We, the several persons, whose names and addresses are subscribed below, are desirous of being formed into a Company in pursuance of these Articles of Association.

Sr. No.	Signature, Name, Description, Address and occupation of Subscribers	Signature, Name, Description, Address and occupation of Witness
1.	Sd/- Subhash Prabhakar Gujar S/o Prabhakar Gujar Delicia "A" 8, UTOPIA, Wanawadi, Pune- 411040 Occupation: Business	<p>Witness to Sr. No. 1 to 3</p> <p>Sd/-</p> <p>Shridhar Kulkarni,</p> <p>S/o Shankar B Kulkarni</p> <p>C 21/ 16 Kaivalya, CMS Kothrud, Pune 29</p> <p>Company Secretary</p> <p>C.P. No. 3950</p>
2.	Sd/- Nagesh Narayanrao Mahindrakar S/o Narayanrao Mahindrakar C/302, Manish Darshan, Fatimanagar, Pune- 411013 Occupation: Business	
3.	Sd/- Deepti Subhash Gujar D/o Subhash Gujar Delicia "A" 8, Utopia, Wanowari, Pune- 411040 Occupation: Business	

Sr. No.	Signature, Name, Description, Address and occupation of Subscribers	Signature, Name, Description, Address and occupation of Witness
4.	Sd/- Pratibha S. Gujar W/o Subhash Gujar Delicia A/8, Utopia, Wanowari, Pune- 411040 Occupation: Business	<p>Witness to Sr. No. 4 to 6</p> <p>Sd/-</p> <p>Shridhar Kulkarni,</p> <p>S/o Shankar B Kulkarni</p> <p>C 21/ 16 Kaivalya, CMS Kothrud, Pune 29</p> <p>Company Secretary</p> <p>C.P. No. 3950</p>
5.	Sd/- Sameer S. Gujar S/o Subhash Gujar Delicia A/8, Utopia, Wanawari, Pune- 411040 Occupation: Student	
6.	Sd/- Sujata Nagesh Mahindrakar W/o Nagesh Mahindrakar C/302, Manish Darshan, Fatimanagar, Pune- 13 Occupation: Business	

Date: 18/01/2007

Place: Pune

DIRECTORS' REPORT

Your Directors have pleasure in presenting the Seventh Annual Report of the Company together with the Audited Financial Statements for the year ended March 31, 2014.

SUMMARISED FINANCIAL RESULTS

	(₹ in Lacs)		
	Standalone	Consolidated	
Particulars	Year ended 31.03.2014	Year ended 31.03.2013 [#]	Year ended 31.03.2014
Turnover / Income (Gross)	2499.24	2269.13	2484.17
Turnover/Income Net)	2499.24	2269.13	2484.17
Other Income	23.76	13.30	23.76
Total Expenditures	2093.34	1752.50	2088.32
Interest and Finance Cost	172.64	165.30	172.64
Depreciation	138.64	52.42	138.64
Profit Before Tax	118.37	312.21	108.31
Tax Expenses			
Current Tax	17.66	62.47	17.66
MAT Credit	(13.00)	(60.02)	(13.00)
Differed Tax Liability	65.33	(9.37)	65.33
Tax for earlier year	-	-	-
MAT Credit for earlier year	-	-	-
Profit After Tax	48.38	319.14	38.32
Balance Brought forward from last year	1079.65	760.51	1079.65
Profit Available for Appropriation	1128.03	1079.65	1117.97
Appropriations	1128.03	1079.65	1117.97
Dividend	-	-	-
Balance Carried over to Balance sheet	1128.03	1079.65	1117.97
Earnings Per Share (Basic & Diluted)	1.44	14.56	1.14
Number of Shares*	3358818	2358818	3358818

* Number of shares has shown in actual numbers.

Previous year's figures may have been regrouped wherever necessary.

REVIEW OF OPERATIONS

During the year under review, the Company earned a profit of ₹ 48.38 lacs as compared to a profit of ₹ 319.14 lacs for the previous year.

SUBSIDIARIES

During the financial year under review, the Company has floated its Wholly Owned Subsidiary ("100% Subsidiary" or "WOS") viz. Opal Luxury Products INC with a view to establish strong footprints in the US market for various products of the Company.

DIVIDEND

Considering requirements of the funds for business purpose, your Directors do not recommend any dividend for the year under review.

PARTICULARS OF EMPLOYEES

None of the employees of the Company is in receipt of remuneration exceeding the limit prescribed under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975. Therefore, the information required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, is not applicable to the Company.

DEPOSITS

The Company has not accepted any deposits from the public during the year under review and does not have any fixed deposits as at the date of the Balance Sheet.

DIRECTORS

During the year under review, there was no change in the composition of the Board of Directors of the Company.

In accordance with the provisions of the Companies Act, 2013 Mr. O K Balraj retire by rotation at the forthcoming Annual General Meeting and being eligible, seeks re-appointment.

Pursuant to the provisions of Model Listing Agreement for listing on SME Exchange, the Company had appointed Mr. Ramprasad Joshi, Mr. Pradeep Tupe and Mr. Ramachandran Nair as Independent Directors.

As per section 149(4) of the Companies Act, 2013 (Act), which came into effect from 01st April, 2014, every listed company is required to have at least one-third of the total number of directors as Independent Directors. In accordance with the provisions of section 149 of the Act, these Directors are being appointed as Independent Directors to hold office as per their tenure of appointment mentioned in the Notice of the forthcoming AGM of the Company.

NOTE ON CORPORATE GOVERNANCE

A separate section on Corporate Governance is included in this Report.

AUDITORS

M/s Bharat J Rughani & Co., Chartered Accountants, Mumbai who are the Statutory Auditors of the Company, hold office till the conclusion of the forthcoming AGM and are eligible for re-appointment. Pursuant to the provisions of section 139 of the Companies Act, 2013 and the Rules framed thereunder, it is proposed to appoint M/s Bharat J Rughani & Co., Chartered Accountants, Mumbai as Statutory Auditors of the Company from the conclusion of the forthcoming AGM till the conclusion of the Tenth AGM to be held in the year 2017, subject to ratification of their appointment at every AGM.

COST AUDIT

Cost Audit is not applicable to the Company under applicable provisions of the Companies Act, 2013 and the Rules framed thereunder for FY 2014-15.

CONSERVATION OF ENERGY, RESEARCH & DEVELOPMENT, TECHNOLOGY ABSORPTION

The provisions of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 ("Companies Rules") relating to conservation of energy and technology absorption do not apply to the Company. The Company doesn't fall under the list of Industries which are directed to furnish information in Form A Rule 2 of Companies Rule prescribed in this behalf.

However, the Company is taking adequate steps to conserve the energy at all the levels and also implementing various measures for reduction in energy consumption and its preservation.

There is no Technology Absorption during the year under review.

THE FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign Exchange Earnings: ₹ NIL

Foreign Exchange Outgo: ₹ 6.76 lacs (Expenses)

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements under Section 217(2AA) of the Companies Act, 1956, the Directors hereby confirm that:

- (a) In the preparation of annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- (b) They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent to give a true and fair view of the Company's state of affairs at the end of the financial year and of the Company's profit for that period;
- (c) They have taken proper and sufficient care for the maintenance of adequate accounting records, in according to the provisions of this Act, to safeguard the Company's assets and to prevent and detect fraud and other irregularities
- (d) They have prepared the annual accounts on a going concern basis.

CAUTIONARY STATEMENT

The information and opinion expressed in the Report may contain certain forward-looking statements, which the management believes are true to the best of its knowledge at the time of its preparation. Actual results may differ materially from those either expressed or implied in the Report. Important factors that could make a difference to the Company's operations include, among others, economic condition in the domestic and the overseas market in which the Company operates changes in the government regulations, tax laws and other statute and incidental factors.

ACKNOWLEDGEMENT

The Board of Directors of your Company wishes to record their appreciation for co-operation, support from all the stakeholders of the Company. Your Directors also gratefully acknowledge the sincere efforts and guidance extended to the Company by its customers, vendors, government authorities, bankers, employees.

For and on Behalf of the Board of Directors

Sameer Gujar
Chairman & Managing Director

Place: Pune

Date: May 26, 2014

MANAGEMENT DISCUSSION AND ANALYSIS

INDIAN ECONOMY

Financial year 2013-14 has been another challenging year for an India economy. India's economic growth slowed to 4.7% for the 2013-14 fiscal year, in contrast to higher economic growth rates in 2000s. IMF projects India's GDP to grow at 5.4% over 2014-15.

COMPANY OVERVIEW

We are a premium home décor products manufacturing and marketing company. Currently, we design and manufacture wall and table clocks and market them under brand 'Opal'. We offer a large & diverse range of clocks at various price points. We primarily operate in the market of premium clocks, with in-house expertise in designing complemented by quartz technology.

Our brand 'Opal' has a wide presence with the products marketed by a network of distributors, dealers and organized retailers which includes popular brands such as Shoppers Stop, Home Town etc. We have also ventured into online sales by way of tie up with popular online shopping portals and also have our own shopping portal at www.opalclocks.com. Recently, we have entered into United States of America (US) market by floating our Wholly Owned Subsidiary mainly to focus the selling and distribution our products in US market.

2013-14 FINANCIAL PERFORMANCE

- For the full year ended March 31, 2014 the Company has reported revenues of ₹ 24.99 Crores resulting in growth of 10.14% in comparison to revenues of ₹ 22.69 Crores in FY13
- EBITDA for FY14 stood at ₹ 4.30 Crore is lower by 18.92% when compared to FY13 EBITDA of ₹ 5.30 Crores

- PAT for FY14 was ₹ 0.48 Crores is lower by 84.84% when compared to ₹ 3.19 Crores PAT in FY13 mainly due to fluctuation in Exchange Rates as compare to previous financial year which led to increase in Cost of material consumed, Depreciation / Amortization expenses due to substantial capitalization and Higher Differ Tax Liability.
- EPS for FY14 stood at ₹ 1.44 per share on enhanced capital base following IPO allotment of 10 Lacs fresh equity shares in April, 2013 as against FY13 EPS of ₹ 14.56 per share

We expect the coming year to be exciting and challenging. Challenging because the weak macro-economic conditions is expected to continue well into the coming year which in turn is exciting as it throws up a huge ocean of opportunity for our Company.

SWOT ANALYSIS

Competitive Strengths

The following are our principal competitive strengths:

Established Brand

We have established 'Opal' as a brand which reflects quality, service and a distinctive design in a largely unorganized market. With 'Opal', we aim to majorly incorporate an elegant design element and a premium appeal to our products matched with technology and brand attachment. Our established brand has enabled us to tap additional selling platforms like organized retail, e-commerce, gift shops, crockery stores, etc.

Experience of buying and using an Opal product is unique because of the distinctive service provided from the time of purchase of the product and continuing thereafter, thereby reinforcing the essence of the brand.

We believe that, having an established brand provides us an opportunity to enter into new product categories.

Multiple sales-channels

Our growth over the years is largely owing to our ability to leverage multiple sales-channel viz distributors & dealers, organized retail, e-commerce, etc. In addition, we believe that we have been one of the pioneers in extending our distribution network beyond the traditional modes of watch & clock trade. These channels include departmental stores, hypermarkets, gifts shops, home décor stores, furniture stores, crockery dealers, etc..

Lean Business Model

Our business model is focused on product designing, marketing and brand building. Hence, our investments are limited to that in Moulds, in-house assembling facilities and working capital. We believe that our focus on product designing has helped us to roll-out new products on a regular basis. Certain manufacturing processes are delivered by third-party vendors who form an integral part of the entire process. We have an in-house 4-member product-design-team whose expertise is key to our designing process and who is also supported by free-lance designers to design products based on current trends. Strong product development with contemporary designs and a regular roll-out of new products has helped us to grow rapidly in a short span of time.

Diverse products

We offer a diverse product mix which varies with the following parameters:

- Price Range
- Mould-component-make (wood, metal, acrylic, glass, etc.), and
- Styles (statue, table, digital, contemporary etc.).

Such diverse product mix helps us in catering to diverse customer segments. We believe that our ability to translate latest fashion trends into actual clock designs differentiates us over our competitors. We believe that with our diverse product mix, we have transformed the clock from a mere timepiece to a piece of art.

Experienced Management Team

Our Company is managed by a team of professionals who have been successful in bringing in a right blend of youth and experience. We believe we have a strong and experienced management including our key managerial personnel some of whom have been working with us since incorporation. We believe that our management team has played a vital role in the growth of our business and in the development of consistent procedures and internal controls. Our management, supported by capable employees, will continue to be an important driver for growth and success in our business activities.

Opportunities

- Rising penetration of internet and e-commerce websites which may allow reach to interiors of the country.
- Virgin rural markets which are proven to have high per capital disposable income.
- New and innovative retail formats. For e.g.: sudden emergence of electronic retail chains makes it easy for OPAL to market its 'CYBER' range of digital clocks.

Threats / Challenges

- Slow-down of economy, construction, and consumer spend, etc.
- Cost issues associated with accessing the bulk of (~65%) rural population in India.
- Infrastructure challenges to reach interiors of the country.
- Threats from local / unbranded substitutes at throw-away prices.

Weaknesses

- High dependence on state of economy, disposable income and overall growth of the economy.
- Lack of avenues to do a research driven marketing as lots of products have 'emotional appeal' which cannot be documents.
- Increasingly changing taste of consumers when it comes to 'visual appeal' driven products.

Internal Control Systems

- In our judgment, the Company has adequate financial and administrative systems and controls and an effective internal audit function according to its size of operations.
- The Company and its management have implemented comprehensive systems and processes commensurate with the Company's size to ensure the highest level of internal controls. These ensure that its assets and interests are carefully protected; checks and balances are in place to determine the accuracy and reliability of accounting data. Well documented processes have been implemented throughout the organization to ensure that policies are promoted and adhered to. There are clear demarcation of roles and responsibilities at various levels of operations. The Internal Control system aims to make sure that the business operations function efficiently, applicable laws, rules, regulations, policies of the Company are followed and the reliability of financial reporting. The Finance Department implements and monitors the internal control environment and compliance with statutory requirements.

Strategy: Relates to the impact on the organization which arises out of the strategic decisions taken by Management.

Operational: These risks have the potential to impact the efficiency and effectiveness of the Company's operations.

Financial & Reporting: Relates to transmission of timely and accurate information to shareholders and accurate representation of financial statements.

Compliance: Relates to inadequate compliance with existing or new regulations, inappropriate conduct of contractual obligation and inadequate safeguard of Intellectual Property leading to litigation or loss of reputation.

Human Resources

Focused attention on management of available human resources by training, re-training, incentivizing, and a fair policy of promotion, transfer and equal pay for equal work played a significant role in achieving the desired objective and remained competitive in terms of product quality, price pattern, brand equity and service deliverables. Nurturing of talent and best HR practices will continue to differentiate and provide strength to Company.

OUTLOOK

We at OPAL are always committed to put our continuous efforts in providing quality product with research and using best trade practices, adopting innovative sales and marketing strategies, taking in to consideration ever changing market trends, consumer likes-dislikes and industrial developments. We are confident of making steady progress by using better technologies and consistent marketing efforts. Fundamental growth drivers of the Indian economy continue to exist however we are very much optimistic about our future.

CAUTIONERY STATEMENT

Forward looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company's actual results, performance or achievements could thus differ materially from those projected in any such forward looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

REPORT ON CORPORATE GOVERNANCE

Company's Philosophy

OPAL believes in corporate governance that optimizes results at present and in long-term, duly balancing the expectations of all major stakeholders, consumers, employees, associates and shareholders. It tries to achieve required results by focusing on upgraded technology, management and marketing in the area of premium consumer products for home decor. The Company is committed to transparency, fair dealings with all stakeholders, as well as consumers and the creation of value on competitive merits.

Board of Directors

The Board currently comprises of six directors which includes an Executive Chairman & Managing Director, a Non-executive & Promoter Director, a Non-executive Nominee Director and three Non-executive Independent Directors. All Independent Directors have confirmed that they meet the 'Independence Criteria' as mentioned under Clause 52 of the Listing Agreement.

Details of Board Meetings held during financial year 2013-14 are given below:

Sr. No.	Date of Board Meeting
1	May 16, 2013
2	July 31, 2013
3	November 12, 2013
4	November 27, 2013
5	March 26, 2014

Directors' attendance record and other details are as follows:

Name of the Director	Category	No. of Board Meetings attended in the year	Attendance at the last AGM	Directorships in Public Companies including our Company*		Committee positions in Public Companies including our Company		No. of equity shares held
				Chairman	Member	Chairman	Member	
Mr. Sameer Gujar (Promoter)	Chairman & Managing Director	3	Yes	1	NIL	1	2	433079
Ms. Pratibha Gujar (Promoter)	Non-executive Director	5	Yes	NIL	1	NIL	3	415851
Mr. Ramprasad Joshi	Independent Director	2	NA	NIL	3	3	5	NIL
Mr. O K Balraj	Nominee Director	3	NA	NIL	2	NIL	1	NIL

Mr. Pradeep Tupe	Independent Director	5	Yes	NIL	3	3	5	NIL
Mr. Ramachandran Nair	Independent Director	3	Yes	NIL	1	2	NIL	NIL

* It does not include: a) Private Company including Private Company which is a subsidiary of a Public Company b) Company formed or incorporated under section 25 of the Companies Act, 1956 and c) Body Corporate / Company incorporated outside India.

Compensation paid to Directors in FY 2013-14

The details of all the cash benefits paid, whether in nature of remuneration or allowances or perquisites or sitting fees or otherwise, to our Directors for financial year ending March 31, 2014 are as under:

(₹ in lacs)

Name of the Director	Basic Salary	Dearness Allowance	House Rent Allowance	Medical Allowance	Conveyance Allowance	Sitting Fees	Others	Total
Mr. Sameer Gujar	5.25	1.05	1.57	1.05	1.05	NIL	0.53	10.50
Ms. Pratibha Subhash Gujar	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Mr. Ramprasad Joshi	NIL	NIL	NIL	NIL	NIL	0.10	NIL	0.10
Mr. O K Balraj	NIL	NIL	NIL	NIL	NIL	0.15	NIL	0.15
Mr. Pradeep Tupe	NIL	NIL	NIL	NIL	NIL	0.25	NIL	0.25
Mr. Ramachandran Nair	NIL	NIL	NIL	NIL	NIL	0.15	NIL	0.15

Code of Conduct:

The Company has framed Code of Conduct which is applicable to all Directors and members of Senior Management. Pursuant to this Code all the Directors & Senior Management has affirmed compliance with this Code for the year ended March 31, 2014. A declaration of compliance of this Code signed by Managing Director is annexed to this report.

Code of Insider Trading

In pursuance of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, the Company has laid down "Code of Conduct for Prevention of Insider Trading for Opal Luxury Time Products Limited" with an objective of preventing purchase and / or sale of shares of the Company by an Insider on the basis of unpublished price sensitive information. Under this code, Directors including Insiders (i.e. Designated Employees) are prevented from dealing in the Company's shares during the closure of Trading Window. To deal in Securities beyond specified limits, permission of Compliance Officer is required. All Designated Employees are also required to disclose related information as defined in the Code. Company Secretary has been designated as Compliance Officer for this Code.

THE COMMITTEES OF THE BOARD

The Board has constituted various Committees with specific terms of scope for taking decision of different matters. The Committees act on behalf of Board as representative for the matter assigned to them by the Board. The decision taken by the Committees are reviewed by the Board from time to time. The minutes of Committee Meeting are placed before the Board meetings at regular intervals. Followings are the various Committee set by the Board;

1. Audit Committee
2. Shareholders' / Investors' Grievance, Share Allotment and Share Transfer Committee
3. IPO Committee
4. Working Group Committee
5. Remuneration Committee

Mandatory Committees

1. Audit Committee

The Audit Committee has been constituted by the Board pursuant to Clause 52 of the Listing Agreement as a Corporate Governance requirement specified by National Stock Exchange of India Limited. The terms of reference of Audit Committee include review of financial reporting systems, ensuring compliance with statutory and regulatory provisions, discussions on financial results, etc. Two Audit Committee meetings were held during the year under review.

The Audit Committee consists of the following Directors:

Name of the Director	Designation in the Committee	Nature of Directorship in the Company	No. of meetings attended during the year
Mr. Ramachandran Nair	Chairman	Independent Director	1
Mr. Pradeep Tupe	Member	Independent Director	2
Mr. Ramprasad Joshi	Member	Independent Director	2
Mr. Sameer Gujar	Member	Managing Director	2

2. Shareholders' / Investors' Grievance, Share Allotment and Share Transfer Committee

The Shareholders' / Investors' Grievance, Share Allotment and Share Transfer Committee have been constituted by the Board pursuant to Clause 52 of the Listing Agreement as a Corporate Governance requirement specified by National Stock Exchange of India Limited. The Committee has been formed broadly for looking into the redressal of shareholders' and investors' complaints like transfer of shares, non-receipt of balance sheet, Issue of duplicate / split / consolidated share certificates, etc.

No Shareholders' / Investors' Grievance, Share Allotment and Share Transfer Committee meetings were held during the year under review.

The Shareholders' / Investors' Grievance, Share Allotment and Share Transfer Committee consist of following Directors:

Name of the Director	Designation in the Committee	Nature of Directorship in the Company
Mr. Ramprasad Joshi	Chairman	Independent Director
Mr. Pradeep Tupe	Member	Independent Director
Mr. O K Balraj	Member	Nominee Director

During financial year 2013-14 there were no complaint(s) received from the Shareholders.

Non-mandatory Committees

3. IPO Committee

The IPO Committee was constituted to oversee and inform the Audit Committee when money is raised through prospectus or rights or preferential issues and shall inform of funds received, utilized, pending for project implementation etc., for the information of the stock exchange(s) and investors.

Two meetings of the Committee were held during the year under review.

The IPO Committee consists of following Directors:

Name of the Director	Designation in the Committee	Nature of Directorship in the Company	No. of meetings attended during the year
Mr. Pradeep Tupe	Chairman	Independent Director	1
Ms. Pratibha Gujar	Member	Non- Executive Director	2
Mr. Sameer Gujar	Member	Managing Director	2

4. Working Group Committee

The Working Group Committee is constituted by the Board to review day-to-day operations of the Company, suggest improvements in the working & overall business operations.

Seven meetings of the Committee were held during the year under review.

The Working Group Committee consists of following Directors.

Name of the Director	Designation in the Committee	Nature of Directorship in the Company	No. of meetings attended during the year
Mr. Sameer Gujar	Chairman	Managing Director	6
Ms. Pratibha Gujar	Member	Non- Executive Director	7
Mr. Ramprasad Joshi	Member	Independent Director	1

5. Remuneration Committee

Nomination and Remuneration is constituted by the Board to determine the remuneration package of the executive director of the Company.

One meeting of the Committee was held during the year under review.

The Remuneration Committee consists of following Directors.

Name of the Director	Designation in the Committee	Nature of Directorship in the Company	No. of meetings attended during the year
Mr. Ramachandran Nair	Chairman	Independent Director	1
Mr. Ramprasad Joshi	Member	Independent Director	1
Ms. Pratibha Gujar	Member	Non- Executive Director	1

GENERAL BODY MEETINGS

A. Location and time, where last three Annual General Meetings (AGMs) were held:

Financial Year	Details of Location	Date of Meeting	Time of Meeting	Special Resolutions Passed
2012-13	Shree Ganesh, Plot No. 31, Shivaji Housing Society, Behind ICC Tower, Senapati Bapat Road, Pune – 411 016, Maharashtra.	September 27, 2013	10.00 A.M.	None
2011-12	Shree Ganesh, Plot No. 31, Shivaji Housing Society, Behind ICC Tower, Senapati Bapat Road, Pune – 411 016, Maharashtra.	September 24, 2012	10.30 A.M.	None
2010-11	Shree Ganesh, Plot No. 31, Shivaji Housing Society, Behind ICC Tower, Senapati Bapat Road, Pune – 411 016, Maharashtra.	September 30, 2011	11.30 A.M.	None

No Extraordinary General Meetings of the Shareholders of the Company was held during the year under review.

B. There were no Postal Ballots conducted during the year.

DISCLOSURES

- There are no materially significant related party transactions which have potential conflict with the interest of the Company at large.
- No penalties or strictures have been imposed on the Company by the Stock Exchanges, SEBI or other statutory authorities, on any matter related to capital markets.
- The Company has not adopted any Whistle Blower Policy for the year under review.
- Clause 52 of the Listing Agreement mandates us to obtain a certificate from either the auditors or practicing company secretaries regarding compliance of conditions of corporate governance as stipulated in the Clause. We have obtained a certificate to this effect and the same is included in this Annual Report. Further, the Company has not complied with non-mandatory requirements as prescribed in Annexure 1D to Clause 52.

MEANS OF COMMUNICATION

The financial results of the Company have been displayed on Company's web www.opalclocks.com as well as published at www.nseindia.com/emerge. The Company's website www.opalclocks.com contains a separate dedicated section 'Investor Relation' where shareholders information is available. The Annual Report of the Company will also be available on the website in downloadable format. Annual Report containing, inter alia, Audited Annual Accounts, Directors' Report, Auditors' Report and other important information is circulated to members and others entitled thereto. The Management's Discussion and Analysis Report forms a part of this Annual Report.

GENERAL SHAREHOLDER INFORMATION

1. Annual General Meeting

- ❖ **Day & Date** : Tuesday, September 30, 2014
- ❖ **Time** : 10:00 A.M.
- ❖ **Venue** : Shree Ganesh, Plot No. 31,
Shivaji Housing Society,
Behind ICC Tower,
Senapati Bapat Road, Pune- 411 016
Maharashtra, India

2. Book Closure period : September 24, 2014 to September 30, 2013 (Both days inclusive)

- ❖ **Series** : SM
- ❖ **Symbol** : OPAL
- ❖ **Face Value** : ₹10/-
- ❖ **ISIN code** : INE520N01012

3. Monthly high & low quotation of the Company's equity share

Stock market data on National Stock Exchange of India Limited (Emerge Platform)

Month	Share Quotation		No. of shares traded
	High	Low	
Apr- 2013	135	112	17000
May- 2013	130	118	7000
Jun- 2013	121	118	2000
Jul- 2013	122	97.6	9000
Aug- 2013	111	111	1000
Sept- 2013	-	-	-
Oct- 2013	118	118	1000
Nov- 2013	-	-	-
Dec- 2013	115	115	3000
Jan- 2014	115	114	4000
Feb- 2014	115	114	2000
Mar- 2014	128.20	115	6000

4. Shareholding Pattern as on 31st March 2014

Sr. No.	Category of Shareholder	Total number of Shares	Percentage of Total Shareholding
1.	Promoter & Promoter Group	848930	25.27
2	Foreign Bodies	0	0
3	Foreign Institutional Investor	0	0
4	Financial Institutions / Banks	133000	3.96
5	Clearing Members	3000	0.09
6	Foreign Venture Capital Investor	0	0
7	H U F	0	0

8	Bodies Corporate	1475270	43.92
9	Mutual Funds	0	0
10	Non Resident Individuals	0	0
11	Resident Individuals	293800	08.75
12	Trust	604818	18.01
Total		3358818	100.00

Compliance Officer

Mr. Nikhil Deshpande, Company Secretary, who is a Compliance Officer, can be contacted at: Opal Luxury Time Products Limited, Registered Office: Shree Ganesh, Plot No. 31, Shivaji Housing Society, Behind ICC Tower, Senapati Bapat Road, Pune – 411 016, Maharashtra, India. Tel No: +91-020-25631909/19, Fax No: +91-020-25631919 Ext. 111

Email: nikhil.deshpande@opalclocks.com

Complaints or queries relating to the shares can be forwarded to the Company's investors grievances email ID at investor.grievance@opalclocks.com and /or to the Registrar and Transfer Agents of our Company at M/s Karvy Computershare Private Limited.

Registrar & Share Transfer Agent

Karvy Computershare Private Limited

17-24, Vittal Rao Nagar, Madhapur,
Hyderabad- 500081 India

Tel No: +91-40-23420818 / 44655000

Fax No: +91-40-23420814

Email: einward.ris@karvy.com

Toll free No: 1800 3454 001

Green Initiative

The Company welcomes and appreciate the 'Green Initiative' taken by the Ministry of Corporate Affairs, Government of India (MCA), enabling electronic delivery of documents including the Annual Report and other documents to shareholders at their e-mail address previously registered with the Depository Participants (DPs)/Company/Registrars & Share Transfer Agents. Shareholders who have not registered their e-mail addresses so far are requested to register their e-mail addresses. Those holding shares in demat form can register their e-mail address with their concerned DPs. Company prefers to send the documents including Annual Report in electronic form at their e-mail addresses. We have requested shareholders to inform any changes in their e-mail addresses. At the same time, an option has been given to the shareholders, to continue to receive physical copies of the relevant documents/Annual Report, provided a specific request/response is received from them to that effect.

DECLARATION AFFIRMING COMPLIANCE OF CODE OF CONDUCT

To,
The Members,

I, Sameer Gujar, Chairman & Managing Director of the Company, do hereby declare that all Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for Board of Directors and Senior Management of Opal Luxury Time Products Limited for the financial year 2013-14.

Sameer Gujar
Managing Director

Place: Pune
Date: May 26, 2014

CERTIFICATE FROM PRACTICING COMPANY SECRETARY ON CORPORATE GOVERNANCE

To,
The Members of Opal Luxury Time Products Limited

We have examined the compliance of conditions of Corporate Governance by Opal Luxury Time Products Limited for the year ended March 31, 2014, as stipulated in Clause 52 of the Listing Agreement of the said Company with NSE.

The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that, the Company has complied with the conditions of the Corporate Governance as stipulated in the abovementioned Listing Agreement.

We 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.

Sd/-
Mahesh G. Bagla
Practicing Company Secretary,
Pune

Membership No: 21041
C P No: 13136

Place: Pune
Date: May 26, 2014

INDEPENDENT AUDITOR'S REPORT

To the Members of "OPAL LUXURY TIME PRODUCTS LIMITED"

We have audited the attached Balance Sheet of **OPAL LUXURY TIME PRODUCTS LIMITED** as at 31st March, 2014 and also the Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We have conducted our audit in accordance with auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of any material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of financial statement. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditors Report) Order, 2003 issued by the Central Government of India in terms of sub section (4A) of section 227 of the Companies Act, 1956, we enclose in the annexure our report on the matters specified in paragraph 4 & 5 of the said order to the extent applicable to the company.
3. Further to our comments in the Annexure referred to in paragraph 2 above, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion, proper books of Account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet and Profit and Loss Account dealt with by this Report are in agreement with the Books of Accounts;
 - d) In our opinion, the Balance Sheet, the Profit & Loss Account read together with the notes thereon, dealt with by this report comply with the Accounting Standards, referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - e) On the basis of written representation received from the directors, which have been taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - f) In our opinion and to the best of our information and according to the explanation given to us, subject to our comments above, the said accounts; read together with notes thereon give the information required by the Companies Act, 1956 in the manner so required and give true and fair view in conformity with the accounting principles generally accepted in India:
 - i. In the case of the Balance Sheet, of the state of Affairs of the Company as at 31st March, 2014;
 - ii. In the case of the Profit and Loss Account, of the Profit for the year ended on that date;
 - iii. In the case of the Cash flow Statement, of the cash flows for the year ended on that date.

For BHARAT J. RUGHANI & CO
CHARTERED ACCOUNTANT
FRN: 101220W

CA AKASH BHARAT RUGHANI
PARTNER
M. NO. 139664

PLACE: PUNE
DATE: 26 MAY, 2014

ANNEXURE FORMING PART OF AUDITOR'S REPORT

(Annexure Referred to in paragraph 2 of the Auditor's Report to the Members of **OPAL LUXURY TIME PRODUCTS LIMITED** on the account for the year ended on 31st March, 2014)

- i) In respect of fixed assets
- (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) All the assets have been physically verified by the management during the year and there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of the asset no material discrepancies were noticed on such verification.
 - (c) In our opinion, the Company has not disposed off a substantial part of its fixed assets during the year and the going concern status of the Company is not affected.
- ii) In respect of inventory
- (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size & nature of company's business.
 - (c) The company is maintaining proper records of Inventory. The discrepancies noticed on verification between the physical stocks and book record were not material.
- iii) According to the information and explanations given to us, the company has not granted any loans to other companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. The company has not taken any loan from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- iv) In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business. During the course of Audit, no major weakness has been noticed in these internal controls.
- v)
- (a) Accordingly to the information, explanations and representations made to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the companies act, 1956 have been entered.
 - (b) In our opinion, and according to the explanations given to us, the company has not entered into any contracts or arrangements exceeding ₹ 5.00 lakh in respect of any party in pursuance of contracts or arrangements entered in the register to be maintained under section 301 of the companies Act, 1956 during the period under Audit.
- vi) In our opinion and according to the information and explanation given to us, the company has not accepted any deposits from the public within the meaning of Reserve Bank of India Directives and section 58A and section 58AA of the Act.
- vii) As informed to us, the company has setup a formal internal audit system commensurate with the size of the company.
- viii) According to the information and explanation given to us, the company is maintaining cost records as prescribed by the Central Govt. under Sec. 209(1) (d) of the Companies Act, 1956.
- ix)
- (a) According to the information & explanation given to us, during the year under review, the company has registered with Provident Fund and Employees' State Insurance Authorities. The Company has delayed in depositing undisputed statutory dues including Provident Fund, Sales tax, Custom Duty, Excise Duty, Employees' State Insurance & Income Tax. The following undisputed dues were outstanding for a period exceeding six months as on 31st March, 2014 from the date they become payable :

(₹ in lacs)

Particulars	Amount Outstanding
Income Tax	25.50

of which ₹ 2.00 Lacs has been paid on April 16, 2014 and the remaining amount is outstanding as on date.

- (b) According to the information & explanations given to us, there are no dues of income tax, wealth tax, service tax, customs duty and excise duty which have to be deposited because of any dispute.
- x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the financial year covered by our audit and in the immediately preceding financial year.
- xi) According to the information & explanation given to us, company has taken various facilities from their banker for the purpose of its business. In our opinion the Company has not defaulted in repayment of dues to a financial institution or bank or debenture holders.
- xii) According to the information & explanation given to us, the company has not given any loans & advances on the basis of security by way of pledge of shares, debentures and other securities therefore clause 4 (xii) of the order is not applicable to the company.
- xiii) The company is not a chit fund or a nidhi / mutual benefit fund/societies. Therefore the provision of clause 4(xiii) of CARO is not applicable to the company.
- xiv) According to the information and explanation given to us, the company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provision of clause 4(xiv) of CARO is not applicable to the company.
- xv) According to the information and explanation given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions.
- xvi) According to the information and explanation given to us, the company has not taken any term loan during the year.
- xvii) According to the information and explanation given to us and over all examination of the balance sheet of the company, we report that funds raised on short term basis have not been used for long term investments and vice versa.
- xviii) According to the information and explanation given to us, the company has not made any preferential allotments of shares to parties and companies covered in the Register maintained under section 301 of the Act.
- xix) According to the information and explanation given to us no debentures have been issued during the year.
- xx) During the year, the company has raised ₹ 1300 Lacs by way of public issue. The company has utilized the same for the purposes as highlighted in the prospectus except for variations as mentioned in the notes to accounts.
- xxi) Based upon the audit procedure performed and information and explanation given to us, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

For BHARAT J. RUGHANI & CO
CHARTERED ACCOUNTANT
FRN: 101220W

CA AKASH BHARAT RUGHANI
PARTNER
M. NO. 139664

PLACE: PUNE
DATE: 26 MAY, 2014

OPAL LUXURY TIME PRODUCTS LIMITED Standalone Balance Sheet as at 31st March, 2014 (₹ in Lacs)				
	Particulars	Note No.	As at 31 st March, 2014	As at 31 st March, 2013
A	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	(a) Share capital	1	335.88	235.88
	(b) Reserves and surplus	2	2,496.87	1,295.36
2	Share application money pending allotment			17.55
3	Non-current liabilities			
	(a) Long-term borrowings	3	28.53	27.11
	(b) Deferred tax liabilities (net)		63.66	(1.67)
	(c) Long term Provisions	4	10.22	4.60
4	Current liabilities			
	(a) Short-term borrowings	5	794.36	804.73
	(b) Trade payables	6	140.40	159.75
	(c) Other current liabilities	7	61.55	202.22
	(d) Short-term provisions	8	43.17	62.47
			3,974.65	2,808.00
B	ASSETS			
1	Non-current assets			
	(a) Fixed assets			
	(i) Tangible assets	9.A	703.01	254.99
	(ii) Intangible assets	9.B	585.28	653.47
	(iii) Capital work-in-progress		756.94	188.00
	(b) Long-term loans and advances	10	171.86	158.86
	(c) Non-Current Investments	11	-	-
2	Current assets			
	(a) Current investments	12	0.17	0.16
	(b) Inventories	13	672.45	613.96
	(c) Trade receivables	14	915.69	769.04
	(d) Cash and cash equivalents	15	16.61	75.88
	(e) Short-term loans and advances	16	152.63	93.63
			3,974.65	2,808.00
3	See accompanying notes forming part of the financial statements			
In terms of our report attached For M/s Bharat J. Rughani & Co. Chartered Accountants		For and on behalf of the Board of Directors		
CA Akash Rughani Partner Membership No: 139664		Pratibha Gujar Director	Sameer Gujar Managing Director	Nikhil Deshpande Company Secretary
		Place: Pune Date: May 26, 2014		

OPAL LUXURY TIME PRODUCTS LIMITED Standalone Statement of Profit and Loss for the period ended 31st March, 2014 (₹ in Lacs)				
Sr. No.	Particulars	Note No.	For the year ended 31 st March, 2014	For the year ended 31 st March, 2013
A	CONTINUING OPERATIONS			
1	Revenue from operations (gross)	17	2,499.24	2,269.13
	Less: Excise duty		-	-
	Revenue from operations (net)		2,499.24	2,269.13
2	Other income	18	23.76	13.30
3	Total revenue (1+2)		2,523.00	2,282.43
4	Expenses			
	(a) Cost of materials consumed	19.A	1,452.57	1,299.18
	(b) Changes in inventories of finished goods, work-in progress and stock-in-trade	19.B	(29.05)	(58.25)
	(c) Employee benefits expense	20	190.46	197.78
	(d) Finance costs	21	172.64	165.30
	(e) Depreciation and amortization expense	22	138.64	52.42
	(f) Other expenses	23	479.37	313.78
	Total expenses		2,404.63	1,970.22
5	Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)		118.37	312.21
6	Exceptional items		-	-
7	Profit / (Loss) before extraordinary items and tax (5 + 6)		118.37	312.21
8	Extraordinary items		-	-
9	Profit / (Loss) before tax (7 + 8)		118.37	312.21
10	Tax expense:			
	(a) Current tax expense for current year		17.66	62.47
	(b) (Less): MAT credit (where applicable)		(13.00)	(60.02)
	(c) Deferred tax liability		65.33	(9.37)
	(d) Tax for earlier year		-	-
	(e) MAT credit for earlier year		-	-
11	Profit / (Loss) from operations (9 +10)		48.38	319.14
12.i	Earnings per share			
	(a) Basic		1.44	14.56
	(b) Diluted		1.44	14.56
12.ii	Earnings per share (excluding extraordinary items)			
	(a) Basic		1.44	14.56
	(b) Diluted		1.44	14.56
	See accompanying notes forming part of the financial statements			
In terms of our report attached For M/s Bharat J. Rughani & Co. Chartered Accountants		For and on behalf of the Board of Directors		
CA Akash Rughani Partner Membership No: 139664		Pratibha Gujar Director	Sameer Gujar Managing Director	Nikhil Deshpande Company Secretary
		Place: Pune Date: May 26, 2014		

OPAL LUXURY TIME PRODUCTS LIMITED				
Standalone Cash Flow Statement for the period ended 31 st March, 2014				
Particulars	For the period ended 31st March 2014		For the period ended 31st March 2013	
	₹	₹	₹	₹
A. Cash flow from operating activities				
Net Profit / (Loss) before extraordinary items and tax		118.37		312.21
<u>Adjustments for:</u>				
Depreciation and amortization	138.64		52.42	
Finance costs	172.64		165.30	
Interest income	20.93		7.53	
Dividend income	0.01		0.01	
Gratuity Provision	5.62		4.60	
		295.97		214.79
Operating profit / (loss) before working capital changes		414.34		527.00
<u>Changes in working capital:</u>				
Adjustments for (increase) / decrease in operating assets:				
Inventories	(58.49)		(132.34)	
Trade receivables	(146.65)		(9.57)	
Short-term loans and advances	(58.99)		(3.55)	
Long-term loans and advances	(13.00)		(59.47)	
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	(19.35)		33.99	
Other current liabilities	(140.67)		97.68	
Short-term provisions	(19.30)		5.90	
		(456.46)		(67.38)
Cash flow from extraordinary items		-		-
Cash generated from operations		(42.12)		459.62
Net income tax		4.66		2.44
Net cash flow from / (used in) operating activities (A)		(46.77)		457.18
B. Cash flow from investing activities				
Capital expenditure on fixed assets, including capital advances	(1,087.41)		(271.36)	
Increase in Current Investment	(0.01)		0.48	
Interest received - Deposits with bank	20.93		7.53	
Dividend received – Bonds	0.01		0.01	
		(1066.49)		(263.35)
Net income tax (paid) / refunds		-		-
Net cash flow from / (used in) investing activities (B)		(1066.49)		(263.35)
C. Cash flow from financing activities				
Proceeds from issue of equity shares	1282.45		200.00	
Share premium utilized for IPO expenses	(46.86)		(171.67)	
Share application money received / (refunded/used)	-		17.55	
proceeds from /(Repayment of) long-term borrowings	1.42		(7.12)	
Net increase / (decrease) in working capital borrowings	(10.37)		10.39	
Proceeds from other short-term borrowings	-		(100.18)	
Finance cost	(172.64)		(165.30)	
Net cash flow from / (used in) financing activities (C)		1053.99		(216.33)

Net increase / (decrease) in Cash and cash equivalents (A+B+C)		(59.27)		(22.50)
Cash and cash equivalents at the beginning of the year		75.88		98.38
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents		-		-
Cash and cash equivalents at the end of the year		16.61		75.88
Reconciliation of Cash and cash equivalents with the Balance Sheet:				
Cash and cash equivalents as per Balance Sheet		16.61		75.88
Less: Bank balances not considered as Cash and cash equivalents		-		-
Net Cash and cash equivalents (as defined in AS 3 Cash Flow Statements)		16.61		75.88
Add: Current investments considered as part of Cash and cash equivalents		-		-
Cash and cash equivalents at the end of the year *		16.61		75.88
* Comprises:				
(a) Cash on hand		0.30		0.03
(b) Balances with banks				
In current accounts		2.71		18.72
In deposit accounts		13.60		57.13
		16.61		75.88
See accompanying notes forming part of the financial statements				
In terms of our report attached For M/s Bharat J. Rughani & Co. Chartered Accountants	For and on behalf of the Board of Directors			
CA Akash Rughani Partner Membership No: 139664	Pratibha Gujar Director	Sameer Gujar Managing Director	Nikhil Deshpande Company Secretary	
		Place: Pune Date: May 26, 2014		

Note 1 Share capital (₹ in Lacs)				
Particulars	As at 31st March, 2014		As at 31st March, 2013	
	Number of shares	(₹ in Lacs)	Number of shares	(₹ in Lacs)
(a) Authorized Equity shares of ₹ 10/- each with voting rights	50.00	500.00	50.00	500.00
(b) Issued Equity shares of ₹ 10/- each with voting rights	33.59	335.88	23.59	235.88
(c) Subscribed and fully paid up Equity shares of ₹ 10/-each with voting rights	33.59	335.88	23.59	235.88
Total	33.59	335.88	23.59	235.88

Particulars	Opening Balance	Fresh issue	Closing Balance
Equity shares with voting rights Year ended 31 st March, 2014			
- Number of shares	23.59	10.00	33.59
- Amount (₹)	235.88	100.00	335.88
Year ended 31 st March, 2013			
- Number of shares	21.77	1.82	23.59
- Amount (₹)	217.70	18.18	235.88

Details of shares held by each shareholder holding more than 5% shares:				
Class of shares / Name of shareholder	As at 31st March, 2014		As at 31st March, 2013	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Innoventive Venture Limited	11.10	33.06%	11.10	47.07%
SIDBI Venture Capital Limited – India Opportunities Fund	6.05	18.01%	1.82	7.71%
Sameer Gujar	4.33	12.89%	4.33	18.36%
Pratibha Gujar	4.16	12.38%	4.16	17.63%
IDBI Capital Market Services Limited	3.34	9.94%	-	-

Particulars	Aggregate number of shares	
	As at 31st March, 2014	As at 31st March, 2013
<u>Equity shares with voting rights</u>		
Fully paid up by way of bonus shares	0.80	0.80

Note 2 Reserves and Surplus (₹ in Lacs)		
Particulars	As at 31st March, 2014	As at 31st March, 2013
Securities premium account		
Opening balance	215.70	205.56
Add : Premium on shares issued during the year	120.00	181.82
Less : Utilized during the year for:		
Share issue expenses	46.86	171.67
Closing balance	1,368.84	215.70
Surplus		
Opening balance	1,079.65	760.51
Add: Profit / (Loss) for the year	48.38	319.14
Closing balance	1,128.03	1,079.65
Total	2,496.87	1,295.36

Note 3 Long-term borrowings (₹ in Lacs)		
Particulars	As at 31st March, 2014	As at 31st March, 2013
(a) Term loans		
From banks		
Secured		-
Unsecured	28.53	27.11
From other parties		
Secured - (Moulds)		-
Unsecured		-
(b) Loans and advances from related parties		
Secured		-
Unsecured		-
Total	28.53	27.11

Note 4 Long-term Provisions (₹ in Lacs)		
Particulars	As at 31st March, 2014	As at 31st March, 2013
Provision for gratuity	10.22	4.60
Total	10.22	4.60

Note 5 Short-term borrowings (₹ in Lacs)		
Particulars	As at 31st March, 2014	As at 31st March, 2013
(a) Loans repayable on demand		
From banks		
Secured	794.36	804.73
Unsecured	-	-
(b) Loans and advances from other parties		
Secured	-	-
Unsecured	-	-
Total	794.36	804.73

* Short-term borrowings comprises of Cash Credit and Demand Loans which are secured by first pari-passu charge by way of hypothecation of all current assets both present and future and personal guarantee of some of the directors or others.

Note 6 Trade Payables (₹ in Lacs)		
Particulars	As at 31st March, 2014	As at 31st March, 2013
Trade payables	140.39	159.75
Total	140.39	159.75

Note 7 Other current liabilities (₹ in Lacs)		
Particulars	As at 31st March, 2014	As at 31st March, 2013
(i) Statutory remittances	15.36	37.42
(ii) Payables on purchase of fixed assets	-	4.42
(iii) Secured & Unsecured loans repayable within one year	29.78	35.98
(iv) Outstanding expenses (IPO)	-	105.04
(v) Outstanding expenses	16.41	19.36
Total	61.55	202.22

Note 8 Short - Term Provisions (₹ in Lacs)		
Particulars	As at 31st March, 2014	As at 31st March, 2013
Provision for Tax	43.17	62.47
Total	43.17	62.47

Note 9: Fixed Assets (₹ in Lacs)										
Descriptions	Gross Block				Depreciation				Net Block	
	As At 01.04.2013	Additions during the year	Deletion	As At 31.03.2014	As At 01.04.2013	For the year	Deletion	As At 31.03.2014	As At 31.03.2014	As At 31.03.2013
9A. TANGIBLE ASSETS										
Plant & Equipment	180.46	474.11	-	654.57	20.64	58.50	-	79.15	575.42	159.81
Furniture & Fixtures	101.78	42.95	-	144.73	20.13	7.01	-	27.14	117.59	81.65
Vehicle	0.52	-	-	0.52	0.15	0.05	-	0.20	0.32	0.37
Office Equipment	29.43	1.42	-	30.85	16.27	4.89	-	21.16	9.69	13.16
TOTAL TANGIBLE ASSETS	312.19	518.48	-	830.67	57.21	70.46	-	127.66	703.01	254.99
PREVIOUS YEAR	198.82	113.37	-	198.82	33.20	24.01	-	57.21	254.99	165.62
9B. INTANGIBLE ASSETS										
Trademark/ Goodwill/ Trade names	681.88	-	-	681.88	28.41	68.19	-	96.60	585.28	653.47
TOTAL INTANGIBLE ASSETS	681.88	-	-	681.88	-	68.19	-	96.60	585.28	653.47
PREVIOUS YEAR	681.88	-	-	681.88	-	-	-	-	653.47	681.88
TOTAL FIXED ASSETS									1,288.29	908.46

Note 10 Long-term loans and advances (₹ in Lacs)

Particulars	As at 31 st March, 2014	As at 31 st March, 2013
(b) MAT credit entitlement	171.86	158.86
Total	171.86	158.86

Note 11 Non Current investments (₹ in Lacs)

Particulars	As at 31 st March, 2014			As at 31 st March, 2013		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
(a) Trade Investment in Equity shares of Subsidiary (10000 Shares of \$0.001)	-	0.01	0.01	-	-	-
Less: Amount payable to subsidiary	-	0.01	0.01	-	-	-
Total	-	-	-	-	-	-

Note: Company incorporated a Wholly Owned Subsidiary (WOS) Opal Luxury Products INC. on November 29, 2013. The said investment was subject to Overseas Direct Investment (ODI) under Foreign Exchange Management Act, 1999 (FEMA) which was under process as at balance sheet date. Fund transfer was made on April 10, 2014. Thus, Share

application money was transferred post the balance sheet date, in substance, Opal Luxury Products INC. has been accounted for as a WOS of the Company. The Share application money pending for approval has been adjusted against the investment in WOS.

Note 12 Current investments (₹ in Lacs)						
Particulars	As at 31st March, 2014			As at 31st March, 2013		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
(a) Investment in debentures or bonds	0.17	-	0.17	0.16	-	0.16
Total	0.17	-	0.17	0.16	-	0.16

Note 13 Inventories (₹ in Lacs)		
Particulars	As at 31st March, 2014	As at 31st March, 2013
Raw materials	327.82	280.01
Work-in-progress	48.48	56.84
Finished goods	258.36	220.95
Stores and spares	37.79	56.16
Total	672.45	613.96

Note 14 Trade receivables (₹ in Lacs)		
Particulars	As at 31st March, 2014	As at 31st March, 2013
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered good	88.45	61.35
Unsecured, not considered good	-	6.50
Other Trade receivables		
Unsecured, considered good	795.59	707.69
Less: Provisions made for doubtful debts	-	6.50
Trade receivable from Related Party – Not exceeding six months from the date they were due for payments		
Unsecured, considered good	31.65	-
Total	915.69	769.04

Note 15 Cash and cash equivalents (₹ in Lacs)		
Particulars	As at 31st March, 2014	As at 31st March, 2013
(a) Cash on hand	0.30	0.03
(b) Balances with banks		
(i) In current accounts	2.71	18.72
(ii) In deposit accounts	13.60	57.13
Total	16.61	75.88

Note 16 Short-term loans and advances (₹ in Lacs)		
Particulars	As at 31st March, 2014	As at 31st March, 2013
(a) Other advances and deposits		
Secured, considered good	6.50	6.50
Unsecured, considered good	61.48	68.53
(b) Loans and advances to employees - Unsecured, considered good	-	0.48
(c) Prepaid expenses - Unsecured, considered good	0.49	9.12
(d) Balances with government authorities - Unsecured, considered good	5.77	2.54
(e) Advance for Expenses to employees - Unsecured, considered good	13.12	-
(f) Advance to suppliers – Unsecured, considered good	41.96	-
(g) Advance to Related party – Unsecured, Considered good	21.49	5.75

(h) Advance income tax	1.81	0.71
Total	152.63	93.63

Note 17 Revenue from operations (₹ in Lacs)		
Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Sale of products	2,642.10	2,418.94
Sale of services	1.65	4.70
Other operating revenues	1.49	1.52
Less:		
Duties & Taxes	145.99	156.02
Total	2,499.24	2,269.13

Note 18 Other income (₹ in Lacs)		
Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Interest income	20.93	7.53
Dividend income	0.01	0.01
Other non-operating income	2.82	5.76
Total	23.76	13.30

Note 19.A Cost of materials consumed (₹ in Lacs)		
Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Opening stock	336.17	262.08
Add: Purchases	1,482.01	1,373.28
Less: Closing stock	3,65.61	336.17
Cost of material consumed	1,452.57	1,299.18
Material consumed comprises: Clock Parts		
Total	1,452.57	1,299.18

Note 19.B Changes in inventories of finished goods, work-in-progress and stock-in-trade (₹ in Lacs)		
Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
<u>Inventories at the end of the year:</u>		
Finished goods	258.36	220.95
Work-in-progress	48.48	56.84
	306.84	277.79
<u>Inventories at the beginning of the year:</u>		
Finished goods	220.95	177.67
Work-in-progress	56.84	41.88
	277.79	219.54
Net (increase) / decrease	(29.05)	(58.25)

Note 20 Employee benefits expense(₹ in Lacs)		
Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Salaries and wages	175.41	179.73
Contributions to provident and other funds	7.05	8.73
Staff welfare expenses	2.38	4.72
Gratuity Provision	5.62	4.60
Total	190.46	197.78

Note 21 Finance costs (₹ in Lacs)		
Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
(a) Interest expense on:		
(i) Borrowings	160.74	146.18
(ii) Others (Duties & Taxes with Interest)	13.82	17.40
(b) Other borrowing costs	5.56	5.10
(c) Net (gain) / loss on foreign currency transactions and translation	(7.48)	(3.38)
Total	172.64	165.30

Note 22 Depreciation and Amortization Expenses (₹ in Lacs)		
Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Depreciation and Amortization for the year on tangible assets as per Note 9 A	70.46	24.01
Depreciation and Amortization for the year on intangible assets as per Note 9 B	68.19	28.41
Depreciation and Amortization	138.64	52.42

Note 23 Other expenses (₹ in Lacs)		
Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Power and fuel	3.74	3.75
Rent including lease rentals	21.16	17.55
Repairs and maintenance	6.19	6.25
Insurance	1.29	10.84
Rates and taxes	38.91	8.81
Communication	3.64	4.75
Printing and stationery	2.40	0.77
Freight and forwarding	102.01	93.65
Sales discount	99.44	76.87
Business promotion	57.95	35.09
Brand Building expenses	96.13	14.46
Legal and professional	8.89	3.46
Payments to auditors	1.98	1.25
Bad debts	9.10	4.40
Provision for doubtful trade and other receivables	-	3.25
Miscellaneous expenses	26.55	28.63
Total	479.37	313.78

Standalone Notes forming part of the financial statements

1. Corporate information

Opal Luxury Time Products Limited (the Company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The company is into the business of manufacturing, assembly and marketing of clocks, watches accessories and allied products. The company has its factory in Roorkee, Uttaranchal where it has Income Tax and Excise benefits for 10 years under state industrial policy.

2. Significant accounting policies

2.1. Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting

Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956 (as amended by Companies Act, 2013). The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

2.2. Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known / materialize.

2.3. Inventories

Inventories are valued at the lower of cost (on FIFO / weighted average basis) and the net realizable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including Octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty.

2.4. Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.5. Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.6. Depreciation and Amortization

Depreciation has been provided on the straight-line method as per the rates prescribed in Schedule XIV to the Companies Act, 1956 except in respect of Assets costing less than ` 5,000 each are fully depreciated in the year of capitalization.

Intangible assets are amortized over their estimated useful life. Trademark, Goodwill & Trade names – 10 years (8.5 years remaining as at the Balance Sheet date)

The estimated useful life of the intangible assets and the amortization period are reviewed at the end of each financial year and the amortization method is revised to reflect the changed pattern.

2.7. Revenue recognition

Sale of goods

Sales are recognized, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales include excise duty but exclude sales tax and value added tax.

Income from services

"Revenues from contracts priced on a time and material basis are recognized when services are rendered and related costs are incurred. Revenues from turnkey contracts, which are generally time bound fixed price contracts, are recognized over the life of the contract using the proportionate completion method, with contract costs determining the degree of completion. Foreseeable losses on such contracts are recognized when probable.

Revenues from maintenance contracts are recognized pro-rata over the period of the contract."

2.8. Other income

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

2.9. Tangible fixed assets

"Fixed assets, are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date. Exchange differences arising on restatement / settlement of long-term foreign currency borrowings relating to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalized and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure relating to fixed assets is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Fixed assets acquired and put to use for project purpose are capitalized and depreciation thereon is included in the project cost till commissioning of the project. "

Fixed assets acquired in full or part exchange for another asset are recorded at the fair market value or the net book value of the asset given up, adjusted for any balancing cash consideration. Fair market value is determined either for the assets acquired or asset given up, whichever is more clearly evident. Fixed assets acquired in exchange for securities of the Company are recorded at the fair market value of the assets or the fair market value of the securities issued, whichever is more clearly evident.

Capital work-in-progress:

Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

2.10. Intangible assets

Intangible assets are carried at cost less accumulated amortization and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset after its purchase / completion is recognized as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

2.11. Foreign currency transactions and translations

Initial recognition

Transactions in foreign currencies entered into by the Company and its integral foreign operations are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Measurement of foreign currency monetary items at the Balance Sheet date

"Foreign currency monetary items (other than derivative contracts) of the Company and its net investment in non-integral foreign operations outstanding at the Balance Sheet date are restated at the year-end rates.

In the case of integral operations, assets and liabilities (other than non-monetary items), are translated at the exchange rate prevailing on the Balance Sheet date. Non-monetary items are carried at historical cost. Revenue and expenses are translated at the average exchange rates prevailing during the year. Exchange differences arising out of these translations are charged to the Statement of Profit and Loss."

Treatment of exchange differences

"Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company and its integral foreign operations are recognized as income or expense in the Statement of Profit and Loss. The exchange differences on restatement / settlement of loans to non-integral foreign operations that are

considered as net investment in such operations are accumulated in a ""Foreign currency translation reserve"" until disposal / recovery of the net investment.

The exchange differences arising on restatement / settlement of long-term foreign currency monetary items are capitalized as part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets or amortized on settlement / over the maturity period of such items if such items do not relate to acquisition of depreciable fixed assets. The unamortized balance is carried in the Balance Sheet as "Foreign currency monetary item translation difference account" net of the tax effect thereon."

Accounting of forward contracts

Premium / discount on forward exchange contracts, which are not intended for trading or speculation purposes, are amortized over the period of the contracts if such contracts relate to monetary items as at the Balance Sheet date.

2.12. Government grants, subsidies and export incentives

Government grants and subsidies are recognized when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants / subsidy will be received. Government grants whose primary condition is that the Company should purchase, construct or otherwise acquire capital assets are presented by deducting them from the carrying value of the assets. The grant is recognized as income over the life of a depreciable asset by way of a reduced depreciation charge.

Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

"Government grants in the nature of promoters' contribution like investment subsidy, where no repayment is ordinarily expected in respect thereof, are treated as capital reserve. Government grants in the form of non-monetary assets, given at a concessional rate, are recorded on the basis of their acquisition cost. In case the non-monetary asset is given free of cost, the grant is recorded at a nominal value.

Other government grants and subsidies are recognized as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis."

2.13. Investments

"Long-term investments (excluding investment properties), are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

Investment properties are carried individually at cost less accumulated depreciation and impairment, if any. Investment properties are capitalized and depreciated (where applicable) in accordance with the policy stated for Tangible Fixed Assets. Impairment of investment property is determined in accordance with the policy stated for Impairment of Assets."

2.14. Employee benefits

Employee benefits include provident fund, superannuation fund and gratuity fund

Defined contribution plans

The Company's contribution to provident fund and superannuation fund are considered as defined contribution plans and are charged as an expense as they fall due based on the amount of contribution required to be made.

Defined benefit plans

For defined benefit plans in the form of gratuity fund and post-employment medical benefits, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognized in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognized immediately to the extent that the benefits are already vested and otherwise is amortized on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognized in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

Long-term employee benefits

Gratuity Benefits are recognized as a liability at the present value of the defined benefit obligation as at the Balance Sheet date.

Borrowing costs

Borrowing costs include interest, amortization of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilized for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset up to the date of capitalization of such asset is added to the cost of the assets. Capitalization of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

2.15. Segment reporting

'The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organization and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance. The company's activities are carried out in India and all services provided by the company fall in a single business segment. As such, there is no reportable segment.

2.16. Leases

"Where the Company as a lessor leases assets under finance leases, such amounts are recognized as receivables at an amount equal to the net investment in the lease and the finance income is recognized based on a constant rate of return on the outstanding net investment.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognized as operating leases. Lease rentals under operating leases are recognized in the Statement of Profit and Loss on a straight-line basis."

2.17. Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

2.18. Taxes on income

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

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognized as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognized on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognized for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognized only if there is virtual certainty that there will be sufficient future taxable income

available to realize such assets. Deferred tax assets are recognized for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realized. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realizability. "

2.19. Impairment of assets

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognized, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognized for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognized in the Statement of Profit and Loss, except in case of revalued assets.

2.20. Provisions and contingencies

A provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes.

2.21. Share issues expenses

Share issue expenses and redemption premium are adjusted against the Securities Premium Account as permissible under Section 78(2) of the Companies Act, 1956, to the extent balance is available for utilization in the Securities Premium Account. The company has set off ₹2.19 Crores of share issue expenses against the securities premium account in accordance with Section 78(2) of the Companies Act ,1956

2.22. Insurance claims

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

2.23. Public Issue

The company had allotted shares at a price of ₹130 per share on April 08, 2013 against the application money received under the public issue of shares of 10,00,000 shares of ₹10 each at a premium of ₹ 120 per share.

2.24. Previous Year figures regrouping / reclassification

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

Standalone other notes - Disclosures under Accounting Standards

Note	Particulars	For the year ended 31 st March, 2014	For the year ended 31 st March, 2013
		₹	₹
A.	Details of government grants		
	Government grants received by the Company during the year towards Duty drawback (recognized under Other operating revenues)	0.83	1.52

Note	Particulars	As at 31 st March, 2014	As at 31 st March, 2013
		₹	₹
B.	Deferred tax (liability) / asset		
	<u>Tax effect of items constituting deferred tax liability</u>		
	On difference between book balance and tax balance of fixed assets	(86.13)	(24.11)
	On provision for gratuity	(3.32)	

	Total	(89.44)	(24.11)
	Tax effect of items constituting deferred tax assets		
	Timing Difference on Expenditure	25.78	25.78
	Net deferred tax (liability) / asset	(63.66)	1.67

Note C. Employee benefit plans

Defined contribution plans

The Company makes Provident Fund and Superannuation Fund contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognized ₹ 477,014 (Year ended 31st March, 2014 ₹ 536,528) for Provident Fund contributions and superannuation fund 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.

Defined benefit plans

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

i. Gratuity

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

Particulars	Year ended 31 st March, 2014
	Gratuity
Components of employer expense	
Current service cost	196,035.00
Interest cost	41,903.00
Expected return on plan assets	-
Curtailment cost / (credit)	-
Settlement cost / (credit)	-
Past service cost	323,959.00
Actuarial losses/(gains)	-
Total expense recognized in the Statement of Profit and Loss	561,897.00
Actual contribution and benefit payments for year	
Actual benefit payments	-
Actual contributions	-
Change in defined benefit obligations (DBO) during the year	
Present value of DBO at beginning of the year	460,471.00
Current service cost	196,035.00
Interest cost	41,093.00
Curtailment cost / (credit)	-
Settlement cost / (credit)	-
Plan amendments	-
Acquisitions	-
Actuarial (gains) / losses	-
Past service cost	323,959.00
Benefits paid	-
Present value of DBO at the end of the year	1,021,558.00
Change in fair value of assets during the year	
Plan assets at beginning of the year	-
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	-
Composition of the plan assets is as follows:	
Government bonds	-
PSU bonds	-
Equity mutual funds	-
Others	-
	-
Actuarial assumptions	
Discount rate	9.1%
Expected return on plan assets	-
Salary escalation	7%
Mortality tables	Indian Assured Lives Mortality (2006-08) -ultimate

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

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

Note D. Related party transactions

DETAILS OF RELATED PARTIES	
Description of relationship	Names of related parties
Subsidiaries	Opal Luxury Products INC.
Key Management Personnel (KMP)	Mr. Sameer Gujar, Ms. Pratibha Gujar
Relatives of KMP	Mr. Subhash Gujar
Major Shareholder	Innoventive Venture Limited

Details of related party transactions during the year ended 31st March, 2014 and balances outstanding as at 31st March, 2014:

Particulars	Subsidiaries	KMP	Relatives of KMP	Major Shareholder	Total
Sale of goods	15.14	-	-	-	15.14
	-	-	-	-	-
Managerial Remuneration	-	10.50	-	-	10.50
	-	(10.50)	-	-	(10.50)
Balances outstanding at the end of the year					
Trade Receivables	31.65	-	-	-	31.65
	-	-	-	-	-
Advance for Expenses	7.01	14.48	-	-	21.49
	-	(5.75)	-	-	(5.75)

Note E. Payments to Auditors:

Particulars	Mar-14	March-13
Audit fees	1.25	1.25
Payment for IPO certification/advisory	-	2.00
Tax audit fees	0.30	0.30
Audit Under MVAT Act	0.10	0.10
Reimbursement of expenses	0.12	-

Note F. Amount payable to Micro, Small or Medium Undertakings

On the basis of information available with the company, there are no amounts payable to Micro, Small or Medium Undertakings. This has been relied upon by the auditors.

Note G. Lease Rent Agreement

Particulars	March-14	March-13
Rent Debited to Profit & Loss A/c.	21.16	17.55
- Obligation		
a) Payable within 1 years (2014-15) ₹ 22.84		
b) Payable within 3 years (2015-18) ₹ 78.56		

Note H. Foreign Currency Transactions

Particulars	March-14	March-13
Net gain / (loss) on foreign currency transactions on revenue accounts recognized in the Profit and Loss Account	7.48	3.38

Note I. Contingent liabilities and commitments (to the extent not provided for)

Particulars	As at 31 st March, 2014	As at 31 st March, 2013
Contingent liabilities		
Bank Guarantees issued by the company to Canteen Stores Department	107.47	107.47
Bank Guarantees issued by the company to National Stock Exchange	6.50	6.50
Total	113.97	113.97

Note J. Additional information to the financial statements**Details of Utilization of issue proceeds**

The company had allotted shares at a price of ₹130 per share on April 08, 2013 against the application money received under the public issue of shares of 1,000,000 shares of ₹10 each at a premium of ₹ 130 per share. The details of utilization of Issue Proceeds are as follows:

Particulars	Amount (₹ Lacs)	
Pre IPO placement		200.00
IPO		1,300.00
Less: Utilization of Funds:		
a) Utilization towards Investment in molds and equipment and indigenization of the designs for the expansion of the existing manufacturing facility	1,029.95	

b) Advertising & Other Brand Building Activities	170.04	
c) Payment towards IPO Expenses	218.54	
d) Utilization towards General Corporate Expenses	81.47	
Total of Utilization of Funds (a+b+c)		1,500.00
Balance Kept in Fixed Deposits / Liquid Mutual Funds		-

Note: There is a variation in the utilization of funds towards Issue Related Expenses of ₹ 25.93 Lacs which is due to increase in the Marketing, Legal and Professional Fees.

To the Board of Directors of “Opal Luxury Time Products Limited”
REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements of **Opal Luxury Time Products Limited** (the "Company"), its subsidiary (the company, subsidiary are collectively referred to as "Group") which comprise of the Consolidated Balance Sheet as at 31st March, 2014, Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the company in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

As stated in the Other Matters paragraph below, our opinion, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, is based solely on the unaudited results of the same.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the unaudited reports on the financial statements/financial information of the subsidiary; referred to below in the Other Matters paragraph, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2014;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the loss of the Group for the year ended on that date; and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Emphasis of Matter

1. We did not audit the financial statements of the subsidiary and the consolidated financial statement include the unaudited financial statements of the same whose financial statements reflect total assets of ₹ 31,67,545/- as at 31st March, 2014 and total revenues of ₹ 6,750/- for the year ended on that date, as considered in the consolidated financial statements.

For BHARAT J. RUGHANI & CO
CHARTERED ACCOUNTANT
FRN: 101220W

CA AKASH BHARAT RUGHANI
PARTNER
M. NO. 139664

PLACE: PUNE
DATE: 26 MAY, 2014

OPAL LUXURY TIME PRODUCTS LIMITED Consolidated Balance Sheet as at 31st March, 2014			
	Particulars	Note No.	As at 31 st March, 2014 (₹ in Lacs)
A	EQUITY AND LIABILITIES		
1	Shareholders' funds		
	(a) Share capital	1	335.88
	(b) Reserves and surplus	2	2487.68
2	Share application money pending allotment		-
3	Non-current liabilities		
	(a) Long-term borrowings	3	28.53
	(b) Deferred tax liabilities (net)		63.66
	(c) Long term Provisions	4	10.22
4	Current liabilities		
	(a) Short-term borrowings	5	794.36
	(b) Trade payables	6	140.40
	(c) Other current liabilities	7	61.55
	(d) Short-term provisions	8	43.17
	TOTAL		3965.45
B	ASSETS		
1	Non-current assets		
	(a) Fixed assets		
	(i) Tangible assets	9.A	703.01
	(ii) Intangible assets	9.B	585.28
	(iii) Capital work-in-progress		756.94
	(b) Long-term loans and advances	10	171.86
	(c) Non - Current Investments	11	-
2	Current assets		
	(a) Current investments	12	0.17
	(b) Inventories	13	701.84
	(c) Trade receivables	14	884.11
	(d) Cash and cash equivalents	15	16.62
	(e) Short-term loans and advances	16	145.62
	TOTAL		3965.45
	See accompanying notes forming part of the financial statements		
In terms of our report attached For M/s Bharat J. Rughani & Co. Chartered Accountants		For and on behalf of the Board of Directors	
CA Akash Rughani Partner Membership No: 139664		Pratibha Gujar Director	Sameer Gujar Managing Director
			Nikhil Deshpande Company Secretary
		Place: Pune Date: May 26, 2014	

OPAL LUXURY TIME PRODUCTS LIMITED			
Consolidated Statement of Profit and Loss for the period ended 31 st March, 2014			
	Particulars	Note No.	For the period ended on 31 st March, 2014 (₹ in Lacs)
A	CONTINUING OPERATIONS		
1	Revenue from operations (gross)	17	2,484.17
	Less: Excise duty		-
	Revenue from operations (net)		2,484.17
2	Other income	18	23.76
3	Total revenue (1+2)		2,507.92
4	Expenses		
	(a) Cost of materials consumed	19.A	1,469.73
	(b) Changes in inventories of finished goods, work-in progress and stock-in-trade	19.B	(58.44)
	(c) Employee benefits expense	20	190.46
	(d) Finance costs	21	172.64
	(e) Depreciation and amortization expense	22	138.64
	(f) Other expenses	23	486.57
	Total expenses		2,399.61
5	Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)		108.31
6	Exceptional items		-
7	Profit / (Loss) before extraordinary items and tax (5 + 6)		108.31
8	Extraordinary items		-
9	Profit / (Loss) before tax (7 + 8)		108.31
10	Tax expense:		
	(a) Current tax expense for current year		17.66
	(b) (Less): MAT credit (where applicable)		(13.00)
	(c) Deferred tax liability		65.33
	(d) Tax for earlier year		-
	(e) MAT credit for earlier year		-
11	Profit / (Loss) from operations (9 +10)		38.32
12.i	Earnings per share		
	(a) Basic		1.14
	(b) Diluted		1.14
12.ii	Earnings per share (excluding extraordinary items)		
	(a) Basic		1.14
	(b) Diluted		1.14
	See accompanying notes forming part of the financial statements		
In terms of our report attached For M/s Bharat J. Rughani & Co. Chartered Accountants		For and on behalf of the Board of Directors	
CA Akash Rughani Partner Membership No: 139664		Pratibha Gujar Director	Sameer Gujar Managing Director
			Nikhil Deshpande Company Secretary
		Place: Pune Date: May 26, 2014	

OPAL LUXURY TIME PRODUCTS LIMITED		
Consolidated Cash Flow Statement for the period ended 31 st March, 2014		
Particulars	For the period ended 31 st March 2014	
	₹	₹
A. Cash flow from operating activities		
Net Profit / (Loss) before extraordinary items and tax		111.19
<u>Adjustments for:</u>		
Depreciation and amortization	138.64	
Finance costs	172.64	
Interest income	20.93	
Dividend income	0.01	
Gratuity Provision	5.62	
		295.97
Operating profit / (loss) before working capital changes		407.16
<u>Changes in working capital:</u>		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Inventories	(91.02)	
Trade receivables	(115.07)	
Short-term loans and advances	(51.99)	
Long-term loans and advances	(13.00)	
<i>Adjustments for increase / (decrease) in operating liabilities:</i>		
Trade payables	(18.42)	
Other current liabilities	(140.46)	
Short-term provisions	(19.30)	
		(449.27)
Cash flow from extraordinary items		
Cash generated from operations		(42.11)
Net income tax		4.66
Net cash flow from / (used in) operating activities (A)		(46.77)
B. Cash flow from investing activities		
Capital expenditure on fixed assets, including capital advances	(1,087.41)	
Increase in Current Investment	(0.01)	
Interest received - Deposits with bank	20.93	
Dividend received – Bonds	0.01	
		(1,066.49)
Net income tax (paid) / refunds		-
Net cash flow from / (used in) investing activities (B)		(1066.49)
C. Cash flow from financing activities		
Proceeds from issue of equity shares	1,282.45	
Share premium utilized for IPO expenses	(46.86)	
Share application money received / (refunded/used)	-	
proceeds from /(Repayment of) long-term borrowings	1.42	
Net increase / (decrease) in working capital borrowings	(10.37)	
Proceeds from other short-term borrowings	-	
Finance cost	(172.64)	

Net cash flow from / (used in) financing activities (C)	1,053.99
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	(59.27)
Cash and cash equivalents at the beginning of the year	75.88
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents	0.00
Cash and cash equivalents at the end of the year	16.62
Reconciliation of Cash and cash equivalents with the Balance Sheet:	
Cash and cash equivalents as per Balance Sheet	16.62
Less: Bank balances not considered as Cash and cash equivalents	-
Net Cash and cash equivalents (as defined in AS 3 Cash Flow Statements)	16.62
Add: Current investments considered as part of Cash and cash equivalents	-
Cash and cash equivalents at the end of the year *	16.62
* Comprises:	
(a) Cash on hand	0.30
(b) Balances with banks	
In current accounts	2.71
In deposit accounts	13.60
See accompanying notes forming part of the financial statements	
In terms of our report attached For M/s Bharat J. Rughani & Co. Chartered Accountants	
CA Akash Rughani Partner Membership No: 139664	
Pratibha Gujar Director	
Sameer Gujar Managing Director	
Nikhil Deshpande Company Secretary	
Place: Pune Date: May 26, 2014	
For and on behalf of the Board of Directors	

Note 1 Share Capital		
Particulars	As at 31st March, 2014	
	Number of shares	(₹ in Lacs)
(a) Authorized Equity shares of ₹ 10/- each with voting rights	50.00	500.00
(b) Issued Equity shares of ₹ 10/- each with voting rights	33.59	335.88
(c) Subscribed and fully paid up Equity shares of ₹ 10/-each with voting rights	33.59	335.88
Total	33.59	335.88

Particulars	Opening Balance	Fresh issue	Closing Balance
Equity shares with voting rights Year ended 31 st March, 2014			
- Number of shares	23.59	10.00	33.59
- Amount (₹)	235.88	100.00	335.88

Details of shares held by each shareholder holding more than 5% shares		
Class of shares / Name of shareholder	As at 31st March, 2014	
	Number of shares held	% holding in that class of shares
Equity shares with voting rights Innoventive Venture Limited	11.10	33.06%
SIDBI Venture Capital Limited – India Opportunities Fund	6.05	18.01%
Sameer Gujar	4.33	12.89%
Pratibha Gujar	4.16	12.38%
IDBI Capital Market Services Limited	3.34	9.94%

Particulars	Aggregate number of shares
	As at 31st March, 2014
<u>Equity shares with voting rights</u> Fully paid up by way of bonus shares	0.80

Note 2 Reserves and Surplus (₹ in Lacs)	
Particulars	As at 31st March, 2014
Securities premium account	
Opening balance	215.70
Add : Premium on shares issued during the year	120.00
Less : Utilized during the year for:	
Share issue expenses	46.86
Closing balance	1,368.84
Reserves & Surplus	
Opening balance	1,079.65
Add: Profit / (Loss) for the year	38.32
Closing balance	1,117.97
Foreign currency translation reserve	
Opening balance	
Add: Changes in effect of foreign exchange rates	0.86
Closing balance	0.86
Total	2,487.68

Note 3 Long-term borrowings (₹ in Lacs)	
Particulars	As at 31st March, 2014
(a) Term loans	
From banks	
Secured	
Unsecured	28.53
From other parties	
Secured - (Moulds)	
Unsecured	
(b) Loans and advances from related parties	
Secured	
Unsecured	
Total	28.53

Note 4 Long-term Provisions (₹ in Lacs)	
Particulars	As at 31st March, 2014
Provision for gratuity	10.22
Total	10.22

Note 5 Short-term borrowings (₹ in Lacs)	
Particulars	As at 31st March, 2014
(a) Loans repayable on demand	
From banks	
Secured	794.36
Unsecured	-
(b) Loans and advances from other parties	
Secured	-
Unsecured	-
Total	794.36

* Short-term borrowings comprises of Cash Credit and Demand Loans which are secured by first pari-passu charge by way of hypothecation of all current assets both present and future and personal guarantee of some of the directors or others.

Note 6 Trade Payables (₹ in Lacs)	
Particulars	As at 31st March, 2014
Trade payables	140.39
Total	140.39

Note 7 Other current liabilities (₹ in Lacs)	
Particulars	As at 31st March, 2014
(i) Statutory remittances	15.36
(ii) Payables on purchase of fixed assets	-
(iii) Secured & Unsecured loans repayable within one year	29.78
(iv) Outstanding expenses (IPO)	-
(v) Outstanding expenses	16.41
Total	61.55

Note 8 Short - term Provisions (₹ in Lacs)	
Particulars	As at 31st March, 2014
Provision for Tax	43.17
Total	43.17

Note 9: Fixed Assets (₹ in Lacs)										
Descriptions	Gross Block				Depreciation				Net Block	
	As At 01.04.2013	Additions during the year	Deletion	As At 31.03.2014	As At 01.04.2013	For the year	Deletion	As At 31.03.2014	As At 31.03.2014	As At 31.03.2013
9A. TANGIBLE ASSETS										
Plant & Equipment	180.46	474.11	-	654.57	20.64	58.50	-	79.15	575.42	159.81
Furniture & Fixtures	101.78	42.95	-	144.73	20.13	7.01	-	27.14	117.59	81.65
Vehicle	0.52	-	-	0.52	0.15	0.05	-	0.20	0.32	0.37
Office Equipment	29.43	1.42	-	30.85	16.27	4.89	-	21.16	9.69	13.16
TOTAL TANGIBLE ASSETS	312.19	518.48	-	830.67	57.21	70.46	-	127.66	703.01	254.99
PREVIOUS YEAR	198.82	113.37	-	198.82	33.20	24.01	-	57.21	254.99	165.62
9B. INTANGIBLE ASSETS										
Trademark/ Goodwill/ Trade names	681.88	-	-	681.88	28.41	68.19	-	96.60	585.28	653.47
TOTAL INTANGIBLE ASSETS	681.88	-	-	681.88	-	68.19	-	96.60	585.28	653.47
PREVIOUS YEAR	681.88	-	-	681.88	-	-	-	-	653.47	681.88
TOTAL FIXED ASSETS									1,288.29	908.46

Note 10 Long-term loans and advances (₹ in Lacs)	
Particulars	As at 31 st March, 2014
(b) MAT credit entitlement	171.86
Total	171.86

Note 11 Non Current investments (₹ in Lacs)			
Particulars	As at 31 st March, 2014		
	Quoted	Unquoted	Total
(a) Trade Investment in Equity shares of Subsidiary (10000 Shares of \$0.001)	-	0.01	-
Less: Amount payable to subsidiary	-	0.01	-
Total	-	-	-

Note: Company incorporated a Wholly Owned Subsidiary (WOS) Opal Luxury Products INC. on November 29, 2013. The said investment was subject to Overseas Direct Investment (ODI) under Foreign Exchange Management Act, 1999 (FEMA) which was under process as at balance sheet date. Fund transfer was made on April 10, 2014. Thus, Share application money was transferred post the balance sheet date, in substance, Opal Luxury Products INC. has been

accounted for as a WOS of the Company. The Share application money pending for approval has been adjusted against the investment in WOS.

Note 12 Current investments (₹ in Lacs)			
Particulars	As at 31st March, 2014		
	Quoted	Unquoted	Total
(a) Investment in debentures or bonds	0.17	-	0.17
Total	0.17	-	0.17

Note 13 Inventories (₹ in Lacs)	
Particulars	As at 31st March, 2014
Raw materials	327.82
Work-in-progress	48.48
Finished goods	287.74
Stores and spares	37.79
Total	701.84

Note 14 Trade receivables(₹ in Lacs)	
Particulars	As at 31st March, 2014
Trade receivables outstanding for a period exceeding six months from the date they were due for payment	
Unsecured, considered good	88.45
Unsecured, not considered good	-
Other Trade receivables	
Unsecured, considered good	795.66
Less: Provisions made for doubtful debts	-
Total	884.11

Note 15 Cash and cash equivalents(₹ in Lacs)	
Particulars	As at 31st March, 2014
(a) Cash on hand	0.30
(b) Balances with banks	
(i) In current accounts	2.71
(ii) In deposit accounts	13.60
Total	16.61

Note 16 Short-term loans and advances(₹ in Lacs)	
Particulars	As at 31st March, 2014
(a) Other advances and deposits	
Secured, considered good	6.50
Unsecured, considered good	61.48
(b) Loans and advances to employees - Unsecured, considered good	-
(c) Prepaid expenses - Unsecured, considered good	0.49
(d) Balances with government authorities - Unsecured, considered good	5.77
(e) Advance for Expenses to employees - Unsecured, considered good	13.12
(f) Advance to suppliers – Unsecured, considered good	41.96
(g) Advance to Related party – Unsecured, Considered good	14.48
(h) Advance income tax	1.81
Total	145.62

Note 17 Revenue from operations (₹ in Lacs)	
Particulars	For the year ended 31st March, 2014
Sale of products	2,627.02
Sale of services	1.65
Other operating revenues	1.49
Less:	
Duties & Taxes	145.99
Total	2,484.17

Note 18 Other income (₹ in Lacs)	
Particulars	For the year ended 31st March, 2014
Interest income	20.93
Dividend income	0.01
Other non-operating income	2.82
Total	23.76

Note 19.A Cost of materials consumed (₹ in Lacs)	
Particulars	For the year ended 31st March, 2014
Opening stock	336.17
Add: Purchases	1,499.18
Less: Closing stock	365.61
Cost of material consumed	1,469.73
Material consumed comprises: Clock Parts	
Total	1,469.73

Note 19.B Changes in inventories of finished goods, work-in-progress and stock-in-trade (₹ in Lacs)	
Particulars	For the year ended 31st March, 2014
<u>Inventories at the end of the year:</u>	
Finished goods	287.74
Work-in-progress	48.48
	336.23
<u>Inventories at the beginning of the year:</u>	
Finished goods	220.95
Work-in-progress	56.84
	277.79
Net (increase) / decrease	(58.44)

Note 20 Employee benefits expense (₹ in Lacs)	
Particulars	For the year ended 31st March, 2014
Salaries and wages	175.41
Contributions to provident and other funds	7.05
Staff welfare expenses	2.38
Gratuity Provision	5.62
Total	190.46

Note 21 Finance costs (₹ in Lacs)	
Particulars	For the year ended 31st March, 2014
(a) Interest expense on:	
(i) Borrowings	160.74
(ii) Others (Duties & Taxes with Interest)	13.82
(b) Other borrowing costs	5.56
(c) Net (gain) / loss on foreign currency transactions and translation	(7.48)
Total	172.64

Note 22 Depreciation and Amortization Expenses (₹ in Lacs)	
Particulars	For the year ended 31st March, 2014
Depreciation and Amortization for the year on tangible assets as per Note 9 A	70.46
Depreciation and Amortization for the year on intangible assets as per Note 9 B	68.19
Depreciation and Amortization	138.64

Note 23 Other expenses (₹ in Lacs)	
Particulars	For the year ended 31st March, 2014
Power and fuel	3.74
Rent including lease rentals	21.16
Repairs and maintenance	6.19
Insurance	1.29
Rates and taxes	38.91
Communication	3.64
Printing and stationery	2.40
Freight and forwarding	102.01
Sales discount	99.44
Business promotion	57.95
Brand Building expenses	96.13
Legal and professional	8.89
Payments to auditors	1.98
Bad debts	9.10
Provision for doubtful trade and other receivables	-
Miscellaneous expenses	33.76
Total	486.57

CONSOLIDATED NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. Corporate information

Opal Luxury Time Products Limited (the Company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The company is into the business of manufacturing, assembly and marketing of clocks, watches accessories and allied products. The company has its factory in Roorkee, Uttaranchal where it has Income Tax and Excise benefits for 10 years under state industrial policy.

2. Significant accounting policies on Consolidated Accounts

1.1. Principals of Consolidation

The Consolidated Financial Statements consist of Opal Luxury Time Products Limited ("the Company") and its subsidiary company (collectively referred to as "the Group"). The Consolidated Financial Statements have been prepared on the following basis:

The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses as per Accounting Standard 21 – "Consolidated Financial Statements" notified by Companies (Accounting Standards) Rules, 2006.

In case of foreign subsidiaries, being non-integral operations, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at the rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognized in the "Foreign Currency Translation Reserve".

The difference between the cost of investment in the subsidiaries and the Company's share of net assets at the time of acquisition of shares in the subsidiaries and joint ventures is recognized in the financial statements as Goodwill or Capital Reserve as the case may be.

Minority Interest in the net assets of consolidated subsidiaries is identified and presented in the consolidated Balance Sheet separately from liabilities and equity of the Company's shareholders. There is no minority interest as the subsidiary of company is wholly owned.

The unaudited financial statements of the subsidiary used in the consolidation are drawn up to the same reporting date as that of the Company i.e. 31st March, 2014.

1.2. Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956 (as amended by Companies Act, 2013). The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

1.3. Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known / materialize.

1.4. Inventories

Inventories are valued at the lower of cost (on FIFO / weighted average basis) and the net realizable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including Octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty.

1.5. Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

1.6. Depreciation and Amortization

Depreciation has been provided on the straight-line method as per the rates prescribed in Schedule XIV to the Companies Act, 1956 except in respect of Assets costing less than ₹ 5,000 each are fully depreciated in the year of capitalization.

Intangible assets are amortized over their estimated useful life. Trademark, Goodwill & Trade names – 10 years (8.5 years remaining as at the Balance Sheet date)

The estimated useful life of the intangible assets and the amortization period are reviewed at the end of each financial year and the amortization method is revised to reflect the changed pattern.

1.7. Revenue recognition

Sale of goods

Sales are recognized, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales include excise duty but exclude sales tax and value added tax.

Income from services

"Revenues from contracts priced on a time and material basis are recognized when services are rendered and related costs are incurred. Revenues from turnkey contracts, which are generally time bound fixed price contracts, are recognized over the life of the contract using the proportionate completion method, with contract costs determining the degree of completion. Foreseeable losses on such contracts are recognized when probable.

Revenues from maintenance contracts are recognized pro-rata over the period of the contract."

Other income

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

1.8. Tangible fixed assets

"Fixed assets, are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date. Exchange differences arising on restatement / settlement of long-term foreign currency borrowings relating to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalized and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure relating to fixed assets is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Fixed assets acquired and put to use for project purpose are capitalized and depreciation thereon is included in the project cost till commissioning of the project. "

Fixed assets acquired in full or part exchange for another asset are recorded at the fair market value or the net book value of the asset given up, adjusted for any balancing cash consideration. Fair market value is determined either for the assets acquired or asset given up, whichever is more clearly evident. Fixed assets acquired in exchange for securities of the Company are recorded at the fair market value of the assets or the fair market value of the securities issued, whichever is more clearly evident.

Capital work-in-progress

Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

Intangible assets

Intangible assets are carried at cost less accumulated amortization and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset after its purchase / completion is recognized as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

1.9. Foreign currency transactions and translations

Initial recognition

Transactions in foreign currencies entered into by the Company and its integral foreign operations are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Measurement of foreign currency monetary items at the Balance Sheet date

"Foreign currency monetary items (other than derivative contracts) of the Company and its net investment in non-integral foreign operations outstanding at the Balance Sheet date are restated at the year-end rates.

In the case of integral operations, assets and liabilities (other than non-monetary items), are translated at the exchange rate prevailing on the Balance Sheet date. Non-monetary items are carried at historical cost. Revenue and expenses are translated at the average exchange rates prevailing during the year. Exchange differences arising out of these translations are charged to the Statement of Profit and Loss."

Treatment of exchange differences

"Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company and its integral foreign operations are recognized as income or expense in the Statement of Profit and Loss. The exchange differences on restatement / settlement of loans to non-integral foreign operations that are considered as net investment in such operations are accumulated in a ""Foreign currency translation reserve"" until disposal / recovery of the net investment.

The exchange differences arising on restatement / settlement of long-term foreign currency monetary items are capitalized as part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets or amortized on settlement / over the maturity period of such items if such items do not relate to acquisition of depreciable fixed assets. The unamortized balance is carried in the Balance Sheet as "Foreign currency monetary item translation difference account" net of the tax effect thereon."

Accounting of forward contracts

Premium / discount on forward exchange contracts, which are not intended for trading or speculation purposes, are amortized over the period of the contracts if such contracts relate to monetary items as at the Balance Sheet date.

1.10. Government grants, subsidies and export incentives

Government grants and subsidies are recognized when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants / subsidy will be received. Government grants whose primary condition is that the Company should purchase, construct or otherwise acquire capital assets are presented by deducting them from the carrying value of the assets. The grant is recognized as income over the life of a depreciable asset by way of a reduced depreciation charge.

Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

"Government grants in the nature of promoters' contribution like investment subsidy, where no repayment is ordinarily expected in respect thereof, are treated as capital reserve. Government grants in the form of non-monetary assets, given at a concessional rate, are recorded on the basis of their acquisition cost. In case the non-monetary asset is given free of cost, the grant is recorded at a nominal value.

Other government grants and subsidies are recognized as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis."

1.11. Investments

"Long-term investments (excluding investment properties), are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

Investment properties are carried individually at cost less accumulated depreciation and impairment, if any. Investment properties are capitalized and depreciated (where applicable) in accordance with the policy stated for Tangible Fixed Assets. Impairment of investment property is determined in accordance with the policy stated for Impairment of Assets."

1.12. Employee benefits

Employee benefits include provident fund, superannuation fund and gratuity fund

Defined contribution plans

The Company's contribution to provident fund and superannuation fund are considered as defined contribution plans and are charged as an expense as they fall due based on the amount of contribution required to be made.

Defined benefit plans

For defined benefit plans in the form of gratuity fund and post-employment medical benefits, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognized in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognized immediately to the extent that the benefits are already vested and otherwise is amortized on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognized in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

Long-term employee benefits

Gratuity Benefits are recognized as a liability at the present value of the defined benefit obligation as at the Balance Sheet date.

1.13. Borrowing costs

Borrowing costs include interest, amortization of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilized for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset up to the date of capitalization of such asset is added to the cost of the assets. Capitalization of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

1.14. Leases

"Where the Company as a lessor leases assets under finance leases, such amounts are recognized as receivables at an amount equal to the net investment in the lease and the finance income is recognized based on a constant rate of return on the outstanding net investment.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognized as operating leases. Lease rentals under operating leases are recognized in the Statement of Profit and Loss on a straight-line basis."

1.15. Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

1.16. Taxes on income

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

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognized as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognized on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognized for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognized only if there is virtual certainty that there will be sufficient future taxable income available to realize such assets. Deferred tax assets are recognized for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realized. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their reliability. "

1.17. Impairment of assets

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognized, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognized for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognized in the Statement of Profit and Loss, except in case of revalued assets.

1.18. Provisions and contingencies

A provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes.

1.19. Share issues expenses

Share issue expenses and redemption premium are adjusted against the Securities Premium Account as permissible under Section 78(2) of the Companies Act, 1956, to the extent balance is available for utilization in the Securities Premium Account. The company has set off ₹ 2.19 Crores of share issue expenses against the securities premium account in accordance with Section 78(2) of the Companies Act ,1956

1.20. Insurance claims

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

1.21. Public Issue

The company had allotted shares at a price of ₹ 130 per share on April 08, 2013 against the application money received under the public issue of shares of 1,000,000 shares of ₹ 10 each at a premium of ₹ 120 per share.

1.22. Previous Year figures regrouping / reclassification

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

Consolidated other notes - Disclosures under Accounting Standards

Note	Particulars	For the year ended 31 st March, 2014
		₹
A.	Details of government grants	
	Government grants received by the Company during the year towards	
	Duty drawback (recognized under Other operating revenues)	0.83

Note	Particulars	As at 31 st March, 2014
		₹
B.	Deferred tax (liability) / asset	
	<u>Tax effect of items constituting deferred tax liability</u>	
	On difference between book balance and tax balance of fixed assets	(86.13)
	On provision for gratuity	(3.32)
	Total	(89.44)
	<u>Tax effect of items constituting deferred tax assets</u>	
	<u>Timing Difference on Expenditure</u>	25.78
	Net deferred tax (liability) / asset	(63.66)

Note C. Employee benefit plans

Defined contribution plans

The Company makes Provident Fund and Superannuation Fund contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognized ₹ 477,014/- (Year ended 31st March, 2014 ₹ 536,528) for Provident Fund contributions and superannuation fund 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.

Defined benefit plans

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

i. Gratuity

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

Particulars	Year ended 31 st March, 2014
	Gratuity
Components of employer expense	
Current service cost	196,035.00
Interest cost	41,903.00
Expected return on plan assets	-

Curtailment cost / (credit)	-
Settlement cost / (credit)	-
Past service cost	323,959.00
Actuarial losses/(gains)	-
Total expense recognized in the Statement of Profit and Loss	(561,897.00)
Actual contribution and benefit payments for year	-
Actual benefit payments	-
Actual contributions	-
Change in defined benefit obligations (DBO) during the year	
Present value of DBO at beginning of the year	460,471.00
Current service cost	196,035.00
Interest cost	41,093.00
Curtailment cost / (credit)	-
Settlement cost / (credit)	-
Plan amendments	-
Acquisitions	-
Actuarial (gains) / losses	-
Past service cost	323,959.00
Benefits paid	-
Present value of DBO at the end of the year	1,021,558.00
Change in fair value of assets during the year	
Plan assets at beginning of the year	-
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	-
Composition of the plan assets is as follows:	
Government bonds	-
PSU bonds	-
Equity mutual funds	-
Others	-
	-
Actuarial assumptions	
Discount rate	9.1%
Expected return on plan assets	-
Salary escalation	7%
Mortality tables	Indian Assured Lives Mortality (2006-08) –ultimate

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

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

Note D. Related party transactions

Details of related parties:	
Description of relationship	Names of related parties
Key Management Personnel (KMP)	Mr. Sameer Gujar, Ms. Pratibha Gujar
Relatives of KMP	Mr. Subhash Gujar
Major Shareholder	Innoventive Venture Limited

Note: Related parties have been identified by the Management.

Particulars	KMP	Relatives of KMP	Major Shareholder	Total
Transactions during the year				
Sale of goods	-	-	-	-
Managerial Remuneration	10.50	-	-	10.50
	-	-	-	-
Balances outstanding at the end of the year	-	-	-	-
Trade Receivables	-	-	-	-
Advance for Expenses	14.48	-	-	14.48

Note E. Payments to Auditors:

Particulars	March-14
Audit fees	1.25
Payment for IPO certification / advisory	-
Tax audit fees	0.30
Audit Under MVAT Act	0.10
Reimbursement of expenses	0.12

Note F. Amount payable to Micro, Small or Medium Undertakings

On the basis of information available with the company, there are no amounts payable to Micro, Small or Medium Undertakings. This has been relied upon by the auditors.

Note G. Lease Rent Agreement

Particulars	March-14
Rent Debited to Profit & Loss A/c.	21.16
- Obligation	
a) Payable within 1 years (2014-15) 22.84	
b) Payable within 3 years (2015-18) 78.56	

Note H. Foreign Currency Transactions

Particulars	March-14
Net gain / (loss) on foreign currency transactions on revenue accounts recognized in the Profit and Loss Account	7.48

Note I. Contingent liabilities and commitments (to the extent not provided for)

Particulars	As at 31 st March, 2014
Contingent liabilities	
Bank Guarantees issued by the company to Canteen Stores Department	107.47
Bank Guarantees issued by the company to National Stock Exchange	6.50
Total	113.97

Note J. Additional information to the financial statements**Details of Utilization of issue proceeds**

The company had allotted shares at a price of ₹ 130 per share on April 08, 2013 against the application money received under the public issue of shares of 1,000,000 shares of ₹ 10 each at a premium of ₹ 130 per share. The details of utilization of Issue proceeds is as follows:

Particulars	Amount (₹ Lacs)	
Pre IPO placement		200.00
IPO		1,300.00
Less: Utilization of Funds:		
a) Utilization towards Investment in molds and equipment and indigenization of the designs for the expansion of the existing manufacturing facility	1,029.95	
b) Advertising & Other Brand Building Activities	170.04	
c) Payment towards IPO Expenses	218.54	
d) Utilization towards General Corporate Expenses	81.47	
Total of Utilization of Funds (a+b+c)		1,500.00
Balance Kept in Fixed Deposits / Liquid Mutual Funds		-

Note: There is a variation in the utilization of funds towards Issue Related Expenses of ₹ 25.93 Lacs which is due to increase in the Marketing, Legal and Professional Fees.

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ATTENDANCE SLIP
(To be presented at the entrance)

I/We hereby record my/our presence at Seventh Annual General Meeting of **Opal Luxury Time Products Limited** held on, Tuesday, 30th September, 2014, at Shree Ganesh, Plot No. 31, Shivaji Housing Society, Behind ICC Tower, Senapati Bapat Road, Pune- 411 016, Maharashtra, India at 10.00 a.m.

Name	
Ledger Folio No.	
DP ID	
Client ID	
No. of Shares held	
Signature	

Note: Only shareholders / proxies / authorized representative are allowed to attend 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]

Name of the Company:	Opal Luxury Time Products Limited
CIN:	L33309PN2007PLC129597
Registered Office:	Shree Ganesh, Plot No. 31, Shivaji Housing Society, Behind ICC Tower, Senapati Bapat Road, Pune- 411 016, Maharashtra, India

Name of Member(s):	
Registered Address:	
E-mail id:	
Folio No. / Client ID:	
DP ID:	

I / We, _____ of
_____ being a member(s) of **OPAL LUXURY TIME PRODUCTS LIMITED** hereby
appoint

1. Name :
Address :
E-mail ID :
Signature :, or
Failing of him
2. Name :
Address :
E-mail ID :
Signature :, or
Failing of him
3. Name :
Address :
E-mail ID :
Signature :, or
Failing of him

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the Seventh Annual General Meeting of Opal Luxury Time Products Limited to be held on Tuesday, 30th September, 2014 at Shree Ganesh, Plot No. 31, Shivaji Housing Society, Behind ICC Tower, Senapati Bapat Road, Pune- 411 016, Maharashtra, India at 10.00 a.m. and / or at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No. 1	
Resolution No. 2	
Resolution No. 3	
Resolution No. 4	
Resolution No. 5	
Resolution No. 6	
Resolution No. 7	
Resolution No. 8	
Resolution No. 9	
Resolution No. 10	

Signed this _____ day of _____, 2014.

Signature of Shareholder:

**Affix
Revenue
Stamp**

.....

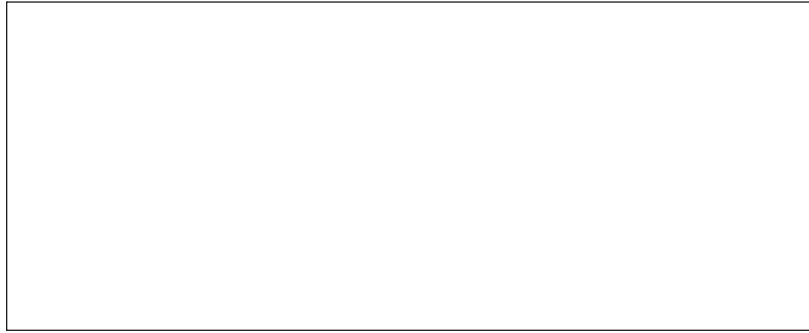
Signature of Proxy Holder(s):

NOTES:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
2. For the Resolutions, Explanatory Statements and Notes, please refer to the Notice of the Seventh Annual General Meeting.

BOOK POST

TO,



If undelivered, please return to:
Opal Luxury Time Products Limited
Plot No.31, First Floor, “Shree Ganesh”,
Shivaji Housing Society, Senapati Bapat Road,
Pune- 411016 Maharashtra, India