

# FANCY FITTINGS LIMITED

## BOARD OF DIRECTORS

Mr. Jayant N. Parekh  
Ms. Nishita K. Shah  
Mr. Anup K. Shah  
Mr. Nimesh K. Sheth  
Mr. Nishit M. Dhruva  
Mr. Piyush C. Sampat

Chairman & Managing Director  
Wholetime Director  
Director  
Independent Director  
Independent Director  
Independent Director

## Auditors

M/s. N. B. Parekh & Associates  
Chartered Accountants

## Bankers

State Bank of India  
HDFC Bank Ltd.

## Registrars & Share Transfer Agents

Link Intime India Pvt. Ltd.  
C – 13, Pannalal Silk Mills Compound,  
L. B. S. Marg,  
Bhandup (West),  
Mumbai – 400 078.

## Registered Office

145/259, Minerva Industrial Estate,  
Sewri Bunder Road,  
Sewri (East),  
Mumbai – 400 015.

## Factories

### Unit – I

Plot Nos. D1, D2, C2, C3, Survey No. 55/2-A, 55/2, 55/1A, 55/1B,  
Behind Daman Fire Force Station,  
Ringanwada,  
Nani Daman (U.T.) 396 210.

### Unit – III

Plot Nos. E1 to E4, Survey No. 55/3, 3A, 3B & 4,  
Behind Daman Fire Force Station,  
Ringanwada,  
Nani Daman (U.T.) 396 210.

### SEZ

Plot Nos. 97, 98, 99 & 100,  
Surat Special Economic Zone,  
Diamond Park, G.I.D.C.,  
Sachin, Surat,  
Gujarat 394 230.

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## DIRECTORS' REPORT

To the Members of Fancy Fittings Limited

The Directors have pleasure in presenting the Twentieth Annual Report and Audited Statement of Accounts for the year ended 31st March, 2013.

### FINANCIAL RESULTS

	<u>For the year ended</u> <u>on 31st March, 2013</u>	<u>For the year ended</u> <u>on 31st March, 2012</u>
	(Rs. in Lacs)	(Rs. in Lacs)
Sales & Other Income	7665.26	6521.23
Profit before depreciation, finance cost & tax	781.12	832.69
Deducting there from :		
Finance Cost	380.59	405.07
Depreciation	269.85	274.22
Profit before tax	130.68	153.40
Provision for Taxation -Current	27.00	20.00
Provision for Taxation -Deferred	---	6.47
Short (Excess) Provision for Income		
Tax of earlier years	(3.53)	27.44
Profit after tax	107.21	99.49
Balance as per last Balance Sheet brought forward	2374.60	2294.04
	<u>2481.81</u>	<u>2393.53</u>
<b>Appropriations :</b>		
Proposed Dividend	24.44	16.29
Tax on Dividend	3.96	2.64
Transferred to General Reserve	5.19	---
Balance carried forward to Balance Sheet	2448.22	2374.60
	<u>2481.81</u>	<u>2393.53</u>

**DIVIDEND**

The Directors are pleased to recommend Dividend of Rs. 1.50 per share (15 per cent) on 16,29,000 fully paid up Equity Shares of the Company. The proposed dividend, if approved at the Annual General Meeting, will absorb a sum of Rs. 24.44 Lacs.

**OPERATIONS**

The Company achieved total Turnover of Rs. 7591.80 Lacs during the year under review, as against total Turnover of Rs. 6434.32 Lacs during the previous year, which represents increase of about 18%. Export Turnover during the year under review is Rs. 4074.92 Lacs as against Export Turnover of Rs. 3113.43 Lacs during the previous year. Profit after tax during the year was Rs. 107.21 Lacs as against Rs. 99.49 Lacs during the previous year. Margins during the year have reduced mainly due to increase on account of raw material cost and personnel cost.

**FUTURE OUTLOOK**

Your Directors are making constant endeavors to explore new markets to achieve higher turnover and profitability. The Company is getting tied up with one pharmaceutical company as a supporting manufacturer. The Company is also getting tied up with a secure lock company to make secure locks.

**FIXED DEPOSITS**

As of 31st March, 2013, there are no unclaimed or unpaid deposits within the meaning of Section 58A of the Companies Act, 1956.

**DIRECTORS**

Mr. Piyush C. Sampat, Director of the Company retires by rotation and being eligible offers himself for re-appointment and Mr. Anup K. Shah, Director of the Company retires by rotation and being eligible offers himself for re-appointment.

**DIRECTORS' RESPONSIBILITY STATEMENT**

As required under Section 217 (2AA) of the Companies Act, the Directors hereby confirm that :

- i. in the preparation of the annual accounts, the applicable accounting standards had been followed with proper explanations relating to material departures;
- ii. the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a

true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

- iii. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. the Directors had prepared the annual accounts on a going concern basis.

## **AUDITORS & AUDIT REPORT**

M/s. N. B. Parekh & Associates, Chartered Accountants, retire at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. You are requested to appoint the Statutory Auditors for the current year and fix their remuneration.

The Notes on Accounts referred to in the Auditors' Report are self-explanatory and therefore do not call for any further comment except that the steps are being taken for payment of income-tax demand of Rs. 9,03,260/-.

## **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS/OUTGO**

The information required under Section 217 (1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, is given in the Annexure and forms part of this Report.

## **PARTICULARS OF EMPLOYEES**

None of employees, during the year under review or part of it, has drawn salary above limits specified under Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended.

## **CORPORATE GOVERNANCE**

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchange, a Management Discussion & Analysis, Corporate Governance Report and a Certificate from M/s. Sanjay Sangani & Co., Company Secretaries, in this regard are annexed hereto and forms part of this Report.

## **SECRETARIAL COMPLIANCE CERTIFICATE**

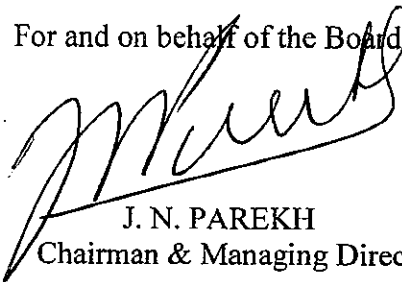
In accordance with the provisions of Section 383A of the Companies Act, 1956, a Certificate from M/s. Sanjay Sangani & Co., Company Secretaries, is given in the Annexure and forms part of this Report.

## ACKNOWLEDGEMENT

The Directors would like to express their grateful appreciation for the co-operation received during the year from the Shareholders, Banks, Central and State Government Authorities, Customers and Suppliers.

The Directors wish to place on record their deep sense of appreciation for the devoted services of all the employees of the Company for its success.

For and on behalf of the Board

A handwritten signature in black ink, appearing to read 'J. N. Parekh', written over a horizontal line.

J. N. PAREKH  
Chairman & Managing Director

Mumbai, 22nd July 2013

## ANNEXURE TO DIRECTORS' REPORT

### INFORMATION REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988.

#### A. Conservation of Energy:

##### a. Energy conservation measures taken:

There is a continuous and systematic effort to optimise energy consumption and cost at Plant through evaluation of performance and modernisation and upgradation of equipments, practices and instrumentation.

##### b. Additional investments and proposals being implemented for reduction of consumption of energy:

By relocating and modifying the available equipments, energy conservation measures are being implemented.

##### c. Impact of Measures at (a) and (b) above on reduction in energy consumption and consequent impact on cost of production of goods:

Through implementation of energy conservation measures at (a) above, there has been energy saving, though exact amount of saving could not be quantified. The implementation of energy conservation measures at (a) above has also resulted in reduction in cost of production. On the implementation of measures at (b) above, the Company expects to achieve savings in energy thus resulting in reduction in cost of production.

##### d. Energy consumption:

The requirement of disclosures as specified in Form A of the Rules is not applicable to the Company.

#### B. Technology Absorption

##### Research & Development

##### 1. Specific areas in which R & D carried out by the Company :

The R & D efforts of the Company are directed towards

- Development and designing of moulds and improvement of existing moulds
- Evaluation of alternative raw material mix

##### 2. Benefits derived as a result of the above R & D :

- Optimization of capacity utilisation and reduction in wastage

- Improvement in quality of products
- Reduction in cost

3. Future Plan of Action :

- To continue and enhance the R & D efforts described at (1) hereinabove.

4. Expenditure on R & D :

No separate records of the expenditure incurred on R & D as such is maintained.

**Technology absorption, adaptation and innovation**

1. Efforts in brief, made towards technology absorption and innovation :

The Company has adopted and absorbed the indigenous technology which has been in existence and in use throughout the plastic industry.

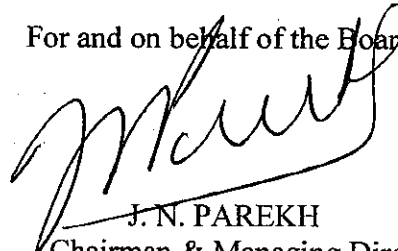
2. There was no import of technology during the year by the Company.

**C. Foreign Exchange Earnings and Outgo**

1. Foreign Exchange Earnings : Rs. 4074.92 Lacs

2. Foreign Exchange Outgo : Rs. 2376.80 Lacs

For and on behalf of the Board



J. N. PAREKH  
Chairman & Managing Director

Mumbai, 22nd July 2013

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **INDUSTRY OVERVIEW**

During the year under review, the industry faced problem of uncertain market conditions due to steep increase in prices of raw materials, high interest rates and overall slow down of world economy. Further, high inflation is a matter of concern for Indian economy and tighter monetary conditions and rising prices is leaving consumers with less disposable income. Unorganised market players have also come into play in a big way. The Indian economy may remain stagnant during the first half of the financial year 2013-14. However, slow recovery is expected during the second half of the financial year 2013-14 as the central government has initiated steps for reforms.

### **OPPORTUNITIES**

With the projected and reasonably sustainable good growth rate of the Indian economy in the coming years, the Indian economy is on a higher growth trajectory with low per capita consumption base, a large domestic consumer base, a healthy ratio of young population, emerging middle class and rising income levels. These are signs of good growth opportunities and augur well for the industry.

### **THREATS**

The prime areas of concern are increase in the prices of raw materials, rising interest cost, depreciation of rupee and competition from unorganised market players.

### **RISK & CONCERNS AND RISK MANAGEMENT**

The prime risk for the Industry is the rise of unorganised sector. The unorganised local manufacturers, who supply inferior quality products at lower prices and due to this there is constant pressure on margins and price control upon the manufacturers of quality products. The Company is ready to face this risk by adopting strategic business plans by supplying majority of production to reputed companies who demand quality products.

The risk management policy is periodically examined and updated. The focus shifts from one area to another area depending upon the prevailing situation.



## OUTLOOK

The Company is expecting to achieve turnover of about Rs. 95 crores during the year 2013-14. The Company is also exploring opportunities to tap new markets.

## INTERNAL CONTROL SYSTEM

The Company has set up internal control procedures commensurate with its size and nature of business and the system of internal control is designed to provide a high degree of assurance regarding the effectiveness and efficiency of operations, the adequacy of safeguards for assets, the reliability of financial reporting and compliance with applicable laws and regulations.

The Audit Committee, in its periodical meetings, reviews the adequacy and effectiveness of internal control systems and procedures and suggests areas of improvements, as appropriate.

## FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

### Highlights

Particulars	(Rs. in Lacs)	
	2012-2013	2011-2012
Sales	7591.80	6434.32
Profit before depreciation, finance cost and tax	781.12	832.69
Finance Cost	380.59	405.07
Depreciation	269.85	274.22
Profit before Tax	130.68	153.40
Tax Expenses (incl. earlier years)	23.47	53.91
Net Profit after Tax	107.21	99.49

Margins have reduced on account of raw material cost and personnel cost.

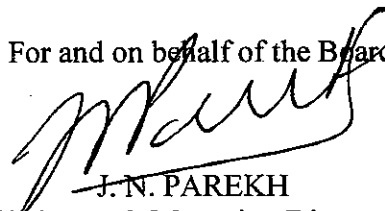
## HUMAN RESOURCES AND INDUSTRIAL RELATIONS

The employees are key assets of the Company and the Company recognizes that the employees can make a differential impact on its performance significantly. The Company treats the employees as human capital and nurtures it through various development and welfare initiatives. Industrial relations continue to be cordial. The strength of permanent employees as on 31st March 2013 is 621 Nos.

## CAUTIONARY STATEMENT

The statements made in this Management Discussion And Analysis Report relating to Company's objectives, projections, estimates, expectations, etc. are of the best judgment of the management based on certain assumptions and the actual results may differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand and supply, government policies, tax laws, price conditions in the domestic and overseas market.

For and on behalf of the Board



J. N. PAREKH

Chairman & Managing Director

Mumbai, 22nd July 2013

## CORPORATE GOVERNANCE REPORT

### 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company's philosophy on Corporate Governance envisages the attainment of the highest levels of transparency, accountability and equity, in all facets of its operations, and all its interactions with the stakeholders including shareholders, employees, customers, government, suppliers and lenders and to build the confidence of the society in general. The Company believes in adopting the philosophy of professionalism, transparency and accountability in all areas and is committed to pursue growth by adhering to the highest standards of Corporate Governance.

### 2. BOARD OF DIRECTORS :

The total strength of the Board of Directors as on date of this report is six. Out of six, four are Non-Executive Directors and three of them are independent. There is one Managing Director and one Wholtime Director. The Non-Executive Directors are eminent and experienced professionals drawn from the field of industry, finance and law.

The day to day management is conducted by the Managing Director and the Wholtime Director of the Company subject to superintendence, control and direction of the Board of Directors.

The details of composition of the Board, number of other Directorships, Chairmanship/ Membership of Committee of each Director in other Companies, attendance of Directors at the Board Meetings and last Annual General Meeting are given below:

Name of the Director	Executive/Non-Executive / Independent/ Promoter	No. of Board Meetings attended	Whether attended the last AGM	No. of Outside Directorship in Public Limited Companies *	No. of Board Committee positions held in other Companies #	
					Chairman	Member
Mr. Jayant N. Parekh	Executive & Promoter	8	Yes	-	-	-
Mrs. Nishita K. Shah	Executive & Promoter	8	Yes	-	-	-
Mr. Anup K. Shah	Non-Executive & Non-Independent	2	No	-	-	-
Mr. Nimesh K. Sheth	Non-Executive & Independent	6	Yes	-	-	-

Mr. Piyush C. Sampat	Non-Executive & Independent	5	No	-	-	-
Mr. Nishit M. Dhruva	Non-Executive & Independent	4	No	-	-	-

\* This excludes directorship held in private companies, foreign companies, companies formed under section 25 of the Companies Act, 1956, directorship held as an alternate director and in Fancy Fittings Ltd.

# Membership/ Chairmanship in Committee of Directors include Audit Committee and Shareholders/Investors Grievance Committee of Directors only. This does not include Membership/ Chairmanship in Committee of Directors of Fancy Fittings Limited.

Mrs. Nishita K. Shah and Mr. Anup K. Shah are relatives of Mr. Jayant N. Parekh.

The Board meets at least once in a quarter to consider amongst other business the performance of the Company and financial results. The Board held eight meetings during the financial year 2012-13 on 24/04/2012, 11/06/2012, 13/07/2012, 17/08/2012, 22/08/2012, 04/12/2012, 28/12/2012 & 13/02/2013.

The number of Equity Shares held by Non-Executive Directors are as under.

Name of the Non-Executive Director	No. of Equity Shares held
Mr. Anup K. Shah	500
Mr. Nimesh K. Sheth	5800
Mr. Piyush C. Sampat	500
Mr. Nishit M. Dhruva	-

### 3. AUDIT COMMITTEE

The Board of Directors has constituted an Audit Committee of Directors to exercise powers and discharge functions as stipulated under Clause 49 of the Listing Agreement with Stock Exchange and other relevant statutory / regulatory provisions. The Audit Committee, in addition to other business reviews the quarterly (unaudited) financial results and annual accounts before submitting to the Board of Directors.

The Composition of the Audit Committee and the details of meetings attended by the Directors are given below.

Name of Director	No. of meetings held	No. of meetings attended
Mr. Nimesh K. Sheth (Chairman) Non-Executive & Independent	6	6
Mr. Piyush C. Sampat Non-Executive & Independent	6	5
Mr. Nishit M. Dhruva Non-Executive & Independent	6	4

Six Audit Committee meetings were held during the year 2012-13 on 24/04/2012, 13/07/2012, 17/08/2012, 04/12/2012, 28/12/2012 and 13/02/2013. The Audit Committee meetings are attended by the Senior Executives of the Company and the representative of Statutory Auditors, whenever necessary. The Chairman of the Audit Committee Mr. Nimesh K. Sheth was present at the Annual General Meeting held on 28th September, 2012. No personnel has been denied access to the Audit Committee.

#### **4. SHAREHOLDERS/ INVESTORS GRIEVANCE COMMITTEE :**

The Shareholders/ Investors Grievance Committee looks into redressal of the shareholders / investors grievances. The Committee reviews the status of complaints received from the shareholders / investors. The Composition of the Shareholders / Investors Grievance Committee and the details of meetings attended by the Directors are given below.

Name of Director	No. of meetings held	No. of meetings attended
Mr. Piyush C. Sampat (Chairman) Non-Executive & Independent	1	1
Mrs. Nishita K. Shah Executive & Promoter	1	1

#### **5. REMUNERATION COMMITTEE & REMUNERATION TO DIRECTORS :**

The broad terms of reference of the Remuneration Committee is to recommend to the Board remuneration including salary, perquisites and commission to be paid to the Managing Directors and Wholetime Directors of the Company.

The Composition of the Remuneration Committee and the details of meetings attended by the Directors are given below.

Name of Director	No. of meetings held	No. of meetings attended
Mr. Piyush C. Sampat (Chairman) Non-Executive & Independent	1	1
Mr. Nishit M. Dhruva Non-Executive & Independent	1	1
Mr. Nimesh K. Sheth Non-Executive & Independent	1	1

### Directors Remuneration

The Company pays remuneration to its Managing Director and Wholetime Director by way of salary, perquisites and allowances (fixed component) and commission (variable component). Remuneration is paid within the range as approved by the shareholders. The Non-Executive Directors are not paid any remuneration.

Details of Remuneration of the Directors for the financial year 2012-13 is as under.

Name	Salary	Commission	Other Allowances & Perquisites	Total
Mr. Jayant N. Parekh	22,80,000/-	-	5,70,000/-	28,50,000/-
Mrs. Nishita K. Shah	9,24,000/-	-	4,62,000/-	13,86,000/-

Nature of employment is on contractual basis. There is no separate provision for payment of severance fees.

### 6. GENERAL BODY MEETINGS :

(i) Information about last three Annual General Meetings are given below.

YEAR	DATE	TIME	LOCATION
2010	27/08/2010	4.00 P.M.	145/259, Minerva Industrial Estate, Sewri Bunder Road, Sewri (East), Mumbai - 400 015.
2011	30/09/2011	4.00 P.M.	145/259, Minerva Industrial Estate, Sewri Bunder Road, Sewri (East), Mumbai - 400 015.
2012	28/09/2012	4.00 P.M.	145/259, Minerva Industrial Estate, Sewri Bunder Road, Sewri (East), Mumbai - 400 015.

- (ii) There was no Special resolution passed in the Seventeenth Annual General Meeting held on 27th August, 2010.
- (iii) In the Eighteenth Annual General Meeting held on 30th September, 2011, a special resolution was passed for re-appointment of Mrs. Nishita K. Shah as Wholetime Director of the Company for the period from 1st October, 2011 to 30th September, 2014 and approval of remuneration payable to her.
- (iv) In the Nineteenth Annual General Meeting held on 28th September, 2012, two special resolutions were passed for (a) re-appointment of Mr. Jayant N. Parekh as Managing Director of the Company for the period from 1st October, 2012 to 30th September, 2015 and approval of remuneration payable to him (b) variation in terms of remuneration payable to Mrs. Nishita K. Shah, w.e.f. 1st October, 2012 for the period of 2 years i.e. upto 30th September, 2014.
- (v) No Extra-ordinary General Meeting of the shareholders was held during the year.
- (vi) No Postal Ballot was conducted during the year. None of the resolutions proposed for the ensuing Annual General Meeting need to be passed by Postal Ballot.

#### **7. DISCLOSURES :**

- (i) The Board has received disclosures from senior managerial personnel relating to material financial and commercial transactions where they and /or their relatives have personal interest. There are no materially significant related party transactions which have potential conflict with the interest of the Company at large.
- (ii) The Company has not submitted results for the quarter ended 30th June 2012 and 31st December 2012 to the OTC Exchange along with the Limited Review Reports and the same were not published in the newspapers in accordance with the Listing Agreement. The OTC Exchange has levied penalty of Rs. 4,000/- in this regard in June 2013 and the same has been paid by the Company. The Audited Results for the financial year ended on 31st March 2012 and the Unaudited Results for the quarter ended on 30th September 2012 were declared late i.e. on 13th July 2012 and 28th December 2012 respectively.
- (iii) The Company has complied with mandatory provisions of corporate governance. The Company has complied with non-mandatory requirements relating to the Remuneration Committee to the extent detailed above.

#### **8. MEANS OF COMMUNICATION :**

The financial results of the Company are generally published in Free Press Journal and Nav-Shakti pursuant to Clause 41 of the Listing Agreement with the Stock Exchange.

16

The Company has not made any presentation to institutional investors or analysts.

## **9. MANAGEMENT'S DISCUSSION AND ANALYSIS :**

Management Discussion & Analysis forms a part of the Directors' Report.

## **10. GENERAL SHAREHOLDERS' INFORMATION**

- i) AGM : Date, Time & Venue -** Monday, 30th September, 2013 at 4.00 p.m. at 145/259, Minerva Industrial Estate, Sewri Bunder Road, Sewri (E), Mumbai – 400015.
- ii) Financial Calendar –**
- |   |                           |
|---|---------------------------|
| Financial reporting for the quarter Ending 30th June, 2013 -      | 2nd week of August 2013   |
| Financial reporting for the quarter ending 30th September, 2013 - | 2nd week of November 2013 |
| Financial reporting for the quarter ending 31st December, 2013 -  | 2nd week of February 2014 |
| Financial reporting for the quarter ending 31st March, 2014 -     | 4th week of May 2014      |
- iii) Book Closure -** 23rd day of September, 2013 to 30th day of September, 2013
- iv) Dividend Payment Date -** Within 30 days from the date of Annual General Meeting
- v) Registered Office -** 145/259, Minerva Industrial Estate, Sewri Bunder Road, Sewri (East), Mumbai – 400015.
- vi) Company's Website -** [www.fancyfittings.com](http://www.fancyfittings.com)
- vii) Registrar & Transfer Agent -** Link Intime India Pvt. Ltd.  
C-13, Pannalal Silk Mills Compound,  
L. B. S. Marg, Bhandup (West),  
Mumbai – 400 078.
- viii) Share Transfer System -** The shares in dematerialized forms are



transferable through depositories. The share transfers in physical form are attended and registered on fortnightly basis and the same are returned within 15 days from the date of receipt, if the documents are in order in all respect.

**ix) Listing Fees -**

Annual Listing Fees is paid for the year 2013-14.

**x) Listing on Stock Exchanges -**

The Company's Equity Shares are listed on

OTC Exchange of India  
92, Maker Towers "F",  
Cuffe Parade, Mumbai – 400 005.

**xi) ISIN allotted to Equity Shares -**

INE 240F01013

**xii) Stock Market Data -**

Normally transactions are not taking place on the OTC Exchange of India in respect of all listed companies. Therefore, information in this regard is not available as the shares of the Company are not traded on the Stock Exchange for the past few years.

**xiii) Status of Shareholders'/Investors' complaints for the period 01.04.12 to 31.03.13**

Nature of complaint	No. of complaints received	No. of complaints resolved	No. of pending Complaints
Transfer of shares	Nil	Nil	Nil
Dividend	Nil	Nil	Nil
Others	Nil	Nil	Nil

**xiv) Distribution of Shareholding as on 31<sup>st</sup> March, 2013**

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
001 – 500	179	65.57	48,800	3.00
501- 1000	36	13.19	31,600	1.94
1001 – 2000	20	7.32	36,100	2.21
2001 – 3000	9	3.30	24,600	1.51
3001 – 4000	1	0.37	4,000	0.25

4001 – 5000	6	2.19	28,900	1.77
5001 – 10000	14	5.13	1,03,300	6.34
10001 and above	8	2.93	13,51,700	82.98
Total	273	100.00	16,29,000	100.00

**xv) Categories of Shareholders as on 31<sup>st</sup> March 2013**

Category	No. of Shareholders	% of Shareholders	No. of Shares held	% of shareholding
Individuals	267	97.80	12,48,200	76.62
Companies	6	2.20	3,80,800	23.38
FII's	-	-	-	-
NRI/OCBs	-	-	-	-
Mutual Funds	-	-	-	-
Bank, Financial Institutions & Insurance Companies	-	-	-	-
Total	273	100.00	16,29,000	100.00

Promoters	6	2.20	11,75,800	72.18
Non Promoters	267	97.80	4,53,200	27.82
Total	273	100.00	16,29,000	100.00

**xvi) Dematerialization of shares and Liquidity**

The Company is connected with both the Depositories i.e. National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL). As on 31st March, 2013, 66.54% Equity Shares of the Company are dematerialized. The Equity Shares of the Company are not frequently traded on OTC Exchange of India.

During the year there was no change in authorized, issued, subscribed and paid up share capital of the Company and as on 31st March, 2013 the Company doesn't have any outstanding GDR's/ ADR's /Warrants or any convertible instruments.

**xvii) Plants/ Factories' Locations -**

- Nani Daman (U.T.) - 2 Units
- Sachin, Surat - 1 Unit (SEZ)

**xviii) Address of Correspondence -**

145/259, Minerva Industrial Estate,  
Sewri Bunder Road, Sewri (East),  
Mumbai – 400015.

**11. CODE OF CONDUCT :**

As per the provisions of Clause 49 of the Listing Agreement, the Company has framed a Code of Conduct for the members of the Board and Senior Management personnel of the Company. The Code of Conduct has been posted on the website of the Company [www.fancyfittings.com](http://www.fancyfittings.com).

**12. NON MANDATORY REQUIREMENTS :**

**i) The Board**

There is no policy in the Company for determining the tenure of independent directors.

**ii) Shareholders Rights**

Half yearly financial results including summary of the significant events are presently not being sent to shareholders of the Company.

**iii) Audit qualifications**

Every endeavor is made to make the financial statements without qualification.

**iv) Training of Board Members**

Considering the nature and risk profile of the business of the Company vis-a-vis professional standing/business experience of the board members, they are eminently competent to discharge their duties.

**v) Mechanism for evaluating Non-Executive Board Members**

There is no policy framed for evaluation of Non-Executive Directors.

**vi) Whistle Blower Policy:**

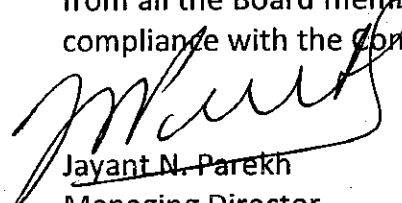
The question of instituting a formal policy in this respect may be considered after deliberating all relevant aspects, including the General Corporate Practice in India and also elsewhere.

**BRIEF RESUME OF PERSONS PROPOSED TO BE APPOINTED / RE-APPOINTED AS  
DIRECTORS OF THE COMPANY AT THE ANNUAL GENERAL MEETING**

1.	Name	Anup K. Shah	Piyush C. Sampat
2.	Date of Birth	09/09/1960	02/12/1961
3.	Educational Qualification	B.Com.	B.E. (Chemical) & MMS
4.	Date of Appointment on the Board	28/06/2001	28/06/2008
5.	Category of Director	Non-Executive & Non-Independent	Non-Executive & Independent
6.	Experience	Experience in trading of various products. He has an experience of over 25 years.	Experience in trading and consulting. He has an experience of over 20 years.
7.	Other Directorship	N.A.	Swarnamangal Trading Company Synfab Private Limited
8.	Name of Committees in which Chairman	N. A.	N. A.
9.	Name of Committees in which Member	N. A.	N. A.
10.	Number of shares held in the Company	500	500

**DECLARATION ON COMPLIANCE WITH THE COMPANY'S CODE OF CONDUCT**

I, Jayant N. Parekh, Managing Director of the Company do hereby confirm that the Company has, in respect of financial year ended 31<sup>st</sup> March, 2013, received from all the Board members and Senior Management personnel a declaration of compliance with the Company's Code of Conduct as applicable to them.

  
Jayant N. Parekh  
Managing Director

Place: Mumbai

Date: 22/07/2013

**COMPANY SECRETARIES CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF  
CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT**

**CERTIFICATE**

To,  
The Members of Fancy Fittings Limited


We have examined the compliance of conditions of Corporate Governance by Fancy Fittings Limited, for the year ended on 31st March, 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with the relevant Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of the Corporate Governance as stipulated in the said Clause. 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 and the representations made by the directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above-mentioned 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.

For Sanjay Sangani & Co.  
Company Secretaries



Sanjay H. Sangani  
Proprietor

Membership No. : FCS 4090

Mumbai, 22nd July, 2013

## COMPLIANCE CERTIFICATE

**CIN of the Company** : L74999MH1993PLC070323  
**Nominal Share Capital** : Rs. 20,000,000/-

To,  
The Members of  
Fancy Fittings Ltd.

We have examined the registers, records, books and papers of Fancy Fittings Limited (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31<sup>st</sup> March, 2013. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year.

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act and the rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made thereunder except some forms which are filed late with additional fees as prescribed.
3. The Company, being a public limited company, comments are not required.
4. The Board of Directors duly met 8 times on 24/04/2012, 11/06/2012, 13/07/2012, 17/08/2012, 22/08/2012, 04/12/2012, 28/12/2012 and 13/02/2013 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose.
5. The Company closed its Register of Members from 21/09/2012 to 28/09/2012 and necessary compliance of Section 154 of the Act has been made.

6. The Annual General Meeting for the financial year ended on 31/03/2012 was held on 28/09/2012 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extra Ordinary General Meeting was held during the financial year.
8. The Company has not advanced any loans during the year to its directors or persons or firms or companies referred to under Section 295 of the Act.
9. The Company has not entered into any contracts during the year falling within the purview of Section 297 of the Act.
10. The Company has made necessary entries in the register maintained under Section 301 of the Act.
11. The Company has obtained necessary approvals from the Board of Directors, members and previous approval of the Central Government pursuant to Section 314 of the Act wherever applicable.
12. The Company has not issued any duplicate share certificates during the financial year.
13. The Company :
  - a) has delivered all the certificates on lodgment thereof for transfer/ transmission or any other purpose in accordance with the provisions of the Act. The Company has not allotted any securities during the financial year.
  - b) has deposited the amount of dividend declared in a separate bank account which is not within 5 days from the date of declaration of such dividend.
  - c) has paid/ posted warrants for dividends to all the members within a period of thirty days from the date of declaration and that all unclaimed/ unpaid dividend has remained in a separate bank account with State Bank of India.
  - d) has transferred the amounts in unpaid dividend account which have remained unpaid or unclaimed for a period of seven years to Investor Education & Protection Fund. There is no amount in application money due for refund or matured deposits or matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years and hence there is no question of transfer of the same to Investor Education & Protection Fund.

e) duly compiled with the requirements of section 217 of the Act.

14. The Board of Directors of the Company is duly constituted and the appointments of directors have been duly made. There was no appointment of additional directors, alternate directors and directors to fill casual vacancies during the financial year.

15. The appointment of Managing Director has been made in accordance with the provisions of section 269 read with Schedule XIII to the Act.

16. The Company has not appointed any sole-selling agents during the financial year.

17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and/ or such other authorities prescribed under the various provisions of the Act during the financial year under review.

18. The directors have disclosed their interest in other firms/ companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.

19. The Company has not issued any shares, debentures or other securities during the financial year.

20. The Company has not bought back any shares during the financial year.

21. The Company has not issued any preference shares/ debentures and hence there is no question of redemption of the same.

22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.

23. The Company has not invited/accepted any deposits including any unsecured loans falling within the purview of Section 58A during the financial year.

24. The amount borrowed by the Company from directors, financial institutions, banks and others during the financial year ending 31st March, 2013 are within the borrowing limits of the Company and that necessary resolution as per Section 293 (1)(d) of the Act has been passed in duly convened Annual General Meeting.

25. The Company has not made loans and investments, or given guarantees or provided securities to other bodies corporate during the financial year.



26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one State to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the year.
31. There was/ were no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the financial year for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The provisions of the Employees Provident Fund Act, 1952, are applicable to the Provident Fund constituted by the Company and in view of the same, the provisions of Section 418 of the Act are not applicable to the Company.

For Sanjay Sangani & Co.  
Company Secretaries



Sanjay H. Sangani  
Proprietor  
C. P. No. : 3847

Place : Mumbai

Date : 22/07/2013

**Annexures attached to and forming part of the Compliance Certificate under Section 383A of the Companies Act, 1956, for the financial year ended on 31<sup>st</sup> March, 2013**

**Annexure A : Registers Maintained by the Company – Fancy Fittings Ltd.**

<b>Sr. No.</b>	<b>Name of Registers</b>	<b>Under Section of the Companies Act, 1956</b>
1	Register of Charges	143
2	Register of Members	150
3	Copies of Annual Returns	163
4	Minutes of Meetings of Board of Directors	193
5	Minutes of General Meetings	193
6	Books of Accounts	209
7	Register of Contracts	301
8	Register of Directors, Manager, Secretary	303
9	Register of Directors' Shareholdings	307
10	Register of Investments & Loans	372A
11	Register of Transfer of Shares	Voluntary
12	Register of Directors Attendance	Voluntary
13	Members Attendance Slips	Voluntary

**Annexure B : Forms and Returns as filed by Fancy Fittings Ltd. with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ended on 31<sup>st</sup> March, 2013**

<b>Sr. No.</b>	<b>Form No.</b>	<b>Filed under Section</b>	<b>Particulars</b>
1	Form 23AC (XBRL) & 23ACA (XBRL)	220	Annual Accounts for the year ended on 31.03.2012
2	Form 20B	159	Annual Return as on AGM held on 28.09.2012
3	Form 66	383A	Compliance Certificate for the year ended on 31.03.2012
4	Form 23	192	Re-appointment of Managing Director & Variation in remuneration to Wholetime Director
5	Form 25C	269	Re-appointment of Managing Director

6	Form 8	125/135	Particulars of Charge (filed late)
7	Form 8	125/135	Particulars of Charge
8	Form 17	138	Satisfaction of Charge
9	Form A (XBRL)	209	Cost Compliance Report for the year ended on 31.03.2012
10	Form 1 INV	205C	Intimation of amount credited to Investor Education & Protection Fund

## INDEPENDENT AUDITOR'S REPORT

To the Members of  
Fancy Fittings Limited.

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

1. We have audited the accompanying financial statements of Fancy Fittings Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

2. The Company's management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

6. In our opinion and to the best of our information and according to the explanations given to us, the accompanying financial statements give the information required by



the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

#### Report on Other Legal and Regulatory Requirements

7. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
8. As required by section 227(3) of the Act, 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, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act;
  - e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

Place: Mumbai

Dated: 22<sup>nd</sup> July, 2013



For N. B. Parekh & Associates  
Chartered Accountants

*N B Parekh*

Namrata Parekh

(Proprietor)

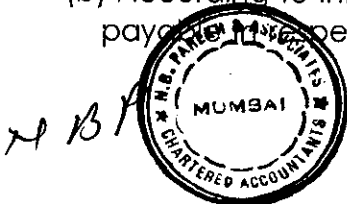
M. No. 46873 & Firm Reg. No. 115408W

**THE ANNEXURE REFERRED TO IN THE AUDITOR'S REPORT TO THE MEMBERS OF FANCY FITTINGS LTD. FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2013**

- (i) a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- b) All the assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- c) In our opinion, the Company has not disposed off substantial part of the fixed assets during the year.
- (ii) 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 of the Company and the nature of its business.
- c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) a) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Act. Accordingly subclauses a), b), c) & d) of clause 4(iii) of the order are not applicable.
- b) During the year, the Company has taken loans from two parties covered in the register maintained u/s. 301 of the of the Companies Act, 1956. The maximum amount involved during the year was Rs.98,21,000.00 and the year end balance of loan taken from the said Parties was Rs. 44,21,000.00
- c) In our opinion the rate of interest and other terms and conditions on which loan has been taken from the parties listed in the register maintained under section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the Company.
- d) The Company is regular in repaying the principal amount as stipulated.



- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. We have not noted any continuing failure to correct major weakness in the internal controls during the course of audit.
- (v) a) Based upon the audit procedures applied by us and according to the information and explanations given to us, we are of the opinion that the particulars of contracts and agreements referred to in section 301 of the Act, have been entered in the register required to be maintained under that section.
- b) In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of contracts or agreements entered in the register maintained under Section 301 of the Act and aggregating during the year to Rupees Five lakhs or more in respect of each party have been made at prices which are reasonable having regard to market prices for such transactions, prevailing at the relevant time, where such market prices are available.
- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public and consequently, the directives issued by the Reserve Bank of India, the provisions of section 58A & 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under are not applicable.
- (vii) In our opinion, the Company has an Internal Audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub-section (1) of Section 209 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (ix) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to it.
- (b) According to information & explanation given to us no undisputed amounts payable in respect of wealth tax, service tax, sales tax, customs duty, excise



duty and cess were in arrears, as at 31<sup>st</sup> March, 2013 for a period of more than six months from the date they become payable, except for an amount of Rs.9,03,260/- being Income Tax for A.Y.2009-10.

(c) According to information & explanation given to us no disputed amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty, excise duty and cess were in arrears, as at 31<sup>st</sup> March, 2013 except for two disputed matters as under :-

(1) Under Central Sales Tax pending before the Deputy Commissioner of Commercial Tax, Surat and amounting to Rs.65,21,884/- .

(2) Under Central Excise Rs. 1,08,72,614/- .

(x) The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the financial year immediately preceding such financial year.

(xi) In our opinion and according to the information and explanations given to us the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.

(xii) The Company has not granted loans and advance on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, clause 4(xii) of the order is not applicable.

(xiii) The Company is not a chit fund, nidhi, mutual benefit fund or a society. Accordingly, clause 4(xiii) of the order is not applicable.

(xiv) According to information & explanation given to us, the Company is not dealing or trading in shares, securities, debentures and other investments. However the assets held as investments have been held by the Company, in its own name except to the extent of the exemption; if any, granted under section 49 of the Act.

(xv) According to information & explanation given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions. Accordingly, clause 4(xv) of the order is not applicable.

(xvi) In our opinion, the term loans have been applied for the purpose for which they were raised.



NBP



(xvii) According to information & explanation given to us and on an overall examination of the balance sheet of the Company, we report that the no funds raised on short-term basis have been used for long term investment.

(xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained u/s. 301 of the Act during the year. Accordingly, clause 4(xviii) of the order is not applicable.

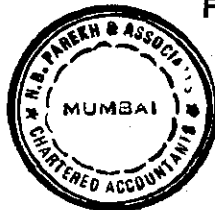
(xix) The Company has not issued any debentures. Accordingly, clause 4(xix) of the order is not applicable.

(xx) The Company has not raised any money by public issue during the year. Accordingly, clause 4(xx) of the order is not applicable.

(xxi) Based upon audit procedures performed and according to the information and explanation given to us, no fraud on or by the Company has been noticed or reported during the year.

Place: Mumbai

Dated: 22<sup>nd</sup> July, 2013



For N. B. Parekh & Associates  
Chartered Accountants

*N B Parekh*

Namrata Parekh

(Proprietor)

M. No. 46873 & Firm Reg. No. 115408W

# FANCY FITTINGS LIMITED

## BALANCE SHEET AS AT 31ST MARCH, 2013

	Note No.	31st March 2013	31st March 2012
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDER'S FUNDS</b>			
Share capital	2	16,290,000	16,290,000
Reserves and surplus	3	289,984,239	282,102,906
		<u>306,274,239</u>	<u>298,392,906</u>
<b>NON - CURRENT LIABILITIES</b>			
Long-term borrowings	4	9,121,830	22,639,886
Deferred tax liabilities (net)	5	22,959,407	22,959,407
		<u>32,081,237</u>	<u>45,599,293</u>
<b>CURRENT LIABILITIES</b>			
Short-term borrowings	6	214,679,248	229,163,863
Trade payables	7	169,284,911	104,586,212
Other current liabilities	8	15,417,581	11,396,887
Short-term provisions	9	30,645,682	25,218,140
		<u>430,027,422</u>	<u>370,365,102</u>
<b>TOTAL</b>		<u><u>768,382,898</u></u>	<u><u>714,357,301</u></u>
<b>ASSETS</b>			
<b>NON - CURRENT ASSETS</b>			
Fixed assets	10		
Tangible assets		254,905,996	253,410,038
Intangible assets		3,090	122,296
Capital work-in-progress		5,877,481	3,840,480
		<u>260,786,567</u>	<u>257,372,814</u>
Non-Current investments	11	10,830,333	10,730,333
		<u>271,616,900</u>	<u>268,103,147</u>
<b>CURRENT ASSETS</b>			
Inventories	12	227,721,885	202,050,779
Trade receivables	13	150,119,238	113,726,643
Cash and cash equivalents	14	22,713,259	27,625,156
Short-term loans and advances	15	70,942,527	79,782,678
Other current assets	16	25,269,089	23,068,898
		<u>496,765,998</u>	<u>446,254,154</u>
<b>TOTAL</b>		<u><u>768,382,898</u></u>	<u><u>714,357,301</u></u>

The notes are an integral part of these financial statements.

This is the Balance Sheet referred to in our report of even date.

For N. B. PAREKH & ASSOCIATES  
Chartered Accountants

N. B. PAREKH  
Proprietor  
M. No. 46873 & Firm Reg. No. 115408W  
Mumbai, 22nd July, 2013

J. N. PAREKH  
Chairman & Managing Director

Nishita K Shah  
Wholtime Director

Mumbai, 22nd July, 2013

# FANCY FITTINGS LIMITED

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31ST MARCH, 2013

	Note No.	31st March 2013	31st March 2012
<b>REVENUE</b>			
Revenue from operations (net)	17	760,798,501	649,299,004
Other income	18	5,727,240	2,824,255
<b>TOTAL REVENUE</b>		<b>766,525,741</b>	<b>652,123,259</b>
<b>EXPENSES</b>			
Cost of materials consumed	19	483,345,442	374,658,868
Purchases of stock-in-trade	20	15,889,550	7,272,168
Changes in inventories of finished goods, work-in-progress and stock-in-trade	21	(26,493,279)	(6,135,906)
Employee benefits expense	22	75,201,576	66,108,649
Finance costs	23	38,059,275	40,506,892
Depreciation and amortisation expense	10	26,984,498	27,422,593
Other expenses	24	140,470,573	126,950,340
<b>TOTAL EXPENSES</b>		<b>753,457,635</b>	<b>636,783,604</b>
<b>PROFIT BEFORE TAXATION</b>		<b>13,068,106</b>	<b>15,339,654</b>
<b>Tax expense:</b>			
Current tax expense		2,700,000	2,000,000
(Excess)/Short Provision of Tax relating to Earlier Years		(353,124)	2,743,719
Deferred tax credit		-	646,428
		<b>2,346,876</b>	<b>5,390,147</b>
<b>NET PROFIT FOR THE YEAR</b>		<b>10,721,230</b>	<b>9,949,508</b>
<b>BASIC EARNINGS PER SHARE ( Nominal Value Rs. 10 Per Share)</b>		<b>6.58</b>	<b>6.11</b>
<b>DILUTED EARNINGS PER SHARE ( Nominal Value Rs. 10 Per Share)</b>		<b>6.58</b>	<b>6.11</b>

The notes are an integral part of these financial statements.

This is the Statement of Profit & Loss referred to in our report of even date.

For N. B. PAREKH & ASSOCIATES  
Chartered Accountants

N. B. PAREKH  
Proprietor  
M. No. 46873 & Firm Reg. No. 115408W  
Mumbai, 22nd July, 2013

J. N. PAREKH  
Chairman & Managing Director

Nishita K Shah  
Wholetime Director

Mumbai, 22nd July, 2013

FANCY FITTINGS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2013

	Year ended on 31-03-2013 Rs.	Year ended on 31-03-2012 Rs.
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net profit before tax and extraordinary items:	13,068,106	15,339,654
Adjustments for:		
Depreciation	26,984,497	27,422,593
Interest (Net)	32,515,520	34,415,043
Miscellaneous Expenditure W/off	-	-
Loss (profit) on Fixed Assets Sold/Scrapped (Net)	1,318,013	(541,720)
Profit on Sale of Investments/Dividend Income	(156,000)	(89,500)
Exchange Rate Difference	(4,969,226)	(1,390,259)
Operating Profit before Working Capital changes	68,760,909	75,155,811
Adjustments for:		
Trade & Other receivable	(29,149,702)	(9,329,326)
Inventories	(25,671,106)	9,525,907
Trade Payables	72,775,314	(28,978,589)
Exchange Rate Difference	4,969,226	1,390,259
Cash generated from operations	91,684,641	47,764,063
Interest (Net)	(32,515,520)	(34,415,043)
Direct Taxes paid	(1,578,188)	(2,010,169)
Net cash from operating activities	57,590,934	11,338,851
Acquisition of Fixed Assets	(33,801,267)	(21,901,516)
Ammortisation of Trademark & Goodwill/Sale of Fixed Assets	2,084,998	7,493,813
Pre Operative expenses of SEZ Unit	-	-
Sale of Investments	(100,000)	(100,000)
Dividend Income	156,000	89,500
Net cash used in investing activities	(31,660,269)	(14,418,203)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Proceeds from issue of Share Capital	-	-
Increase in Long Term Borrowings	(28,002,671)	(519,204)
Dividend and tax thereon paid	(2,839,897)	(1,893,265)
Net cash from financing activities	(30,842,568)	(2,412,469)
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C)	(4,911,903)	(5,491,821)
Cash and Cash equivalents as at 01.04.2012 (Opening Balance)	27,625,157	33,116,978
Cash and Cash equivalents as at 31.03.2013 (Closing Balance)	22,713,255	27,625,157
	(0)	

Notes:

- The Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard 3 "Cash Flow Statements" issued by the Institute of Chartered Accountants of India.
- Previous years' figures have been re-grouped and re-arranged wherever necessary.

This is the Cash Flow Statement referred to in our report of even date.

For N. B. PAREKH & ASSOCIATES  
Chartered Accountants

For and on behalf of the Board

J. N. Parekh  
Chairman & Managing Director

N. B. PAREKH  
Proprietor  
M. No. 46873

Nishita K. Shah  
Director

Mumbai, 22nd July, 2013

Mumbai, 22nd July, 2013

## NOTES TO THE FINANCIAL STATEMENTS

### 1 SIGNIFICANT ACCOUNTING POLICIES

#### (a) Basis of Preparation of Financial Statements

- i) The accounts are prepared under the historical cost convention in accordance with the generally accepted accounting principles and the provisions of the Companies Act, 1956 as adopted consistently by the Company, except for certain tangible assets which are being carried at revalued amounts.
- ii) The Company generally follows mercantile system of accounting and recognizes income and expenditure on accrual basis.
- iii) All the assets and liabilities have been classified as current & non-current as per company's normal operation cycle and the other criteria set out in the schedule VI of the Companies Act, 1956. Based on the nature of the product's and the time between the acquisition of the assets for processing and their realization in cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current – noncurrent classification of assets and liabilities.

#### (b) Revenue Recognition

- i) **Sales**  
Sales are net of excise duties, discounts, sales returns, shortages in transit and credits given for price adjustment. Export Sales are accounted on FOB Value basis.
- ii) **Interest**  
Interest Income is recognized on time proportion basis taking into account the amount outstanding and the rate applicable.

#### (c) Tangible Assets

- i) Tangible assets are stated at historical cost of acquisition or construction, which includes all expenses up to commissioning/putting the assets into use and excludes modvat / cenvat, unless any asset is revalued. Adjustments arising from exchange rate variations relating to borrowings attributable to fixed assets are capitalized.
- ii) Losses arising from the retirement of and gains or losses arising from disposal of tangible assets which are carried at cost are recognized in the Statement of Profit and Loss.
- iii) The expenditure relating to project in progress and the cost incurred or advances given for fixed assets, the construction / installation / acquisition of which are not completed are included under the head Capital Work-in-Progress and the same are related / classified / allocated to the respective assets on their completion.

(d) **Depreciation**

Depreciation on Tangible Assets including revalued assets is provided on Straight Line Method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956. Depreciation is charged on pro-rata basis on assets acquired/disposed off during the year.

(e) **Amortization of Trademark and Goodwill**

Keeping in view the AS 26 in respect of amortization of intangible assets like Goodwill and Trademark, a sum of Rs. 1,01,680/- in respect of Goodwill and a sum of Rs.17,526/- in respect of Trademark is amortized during the year ended 31<sup>st</sup> March, 2013.

(f) **Borrowing Costs**

Borrowing Costs directly attributable to the acquisition or construction of qualifying assets are capitalized as part of the costs of the assets, up to the date the asset is ready for their intended use. All other borrowing costs are recognized in Statement of Profit and Loss in the year in which they are incurred.

(g) **Investments**

Investments that are readily realizable and are intended to be held for not more than one year from the date, on which such investment are made are classified as current investments. All other investments are classified as long term investments. Current investments are carried at cost or fair value, whichever is lower. Long term Investments are valued at cost of acquisition. Temporary diminution in the value of investments meant to be held for a long period of time is not recognized.

(h) **Inventories**

- i) Raw Materials, Stores, Spare Parts and Packing Materials are valued at cost or net realizable value, whichever is lower, computed on FIFO basis.
- ii) Goods in transit are stated at cost incurred up to the date of Balance Sheet.
- iii) Finished Goods and Work-in-Progress are valued at cost or net realizable value, whichever is lower. The cost of Finished Goods and Work-in-Progress is arrived on absorption cost basis.

(i) **Foreign Currency Transactions**

- i) All transactions in foreign currency, are recorded at the rates of exchange prevailing on the dates when the relevant transactions take place.

- ii) Monetary assets and liabilities in foreign currency, outstanding at the close of the year, are converted in Indian currency at the appropriate rates of exchange prevailing on the date of the Balance Sheet. Resultant gain or loss, except to the extent it relates to long term monetary items, is recognized in the statement of profit and loss for the year. Gain or loss relating to long term foreign currency monetary items for financing acquisition of depreciable capital assets, is adjusted to the acquisition cost of such assets and depreciated over its remaining useful life.
  - iii) At the reporting date, non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.
  - iv) Forward Exchange Contracts.
    - The premium or discount arising at the inception of the forward exchange contracts entered into to hedge an existing assets/liability, is amortized as expense or income over the life of the contract. Exchange differences on such contract in the recognized in the Statement of profit and loss in the reporting period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such a forward exchange contract are recognized as income or expense for the period.
    - Forward exchange contracts outstanding as at the year end on account of firm commitment/ highly probable forecast transactions are marked to market and the losses. If any, are recognized in the Statement of Profit and Loss and gains are ignored in announcement of the Institute of Chartered Accountants of India on 'Accounting for Derivatives'.
- (j) **Prior Period Adjustments**  
Income and Expenditure pertaining to prior period have been accounted under respective head under Profit & Loss Account. However, net effect of such amount, where material, is disclosed separately in Notes to accounts.
- (k) **Employee Benefits**
- i) **Gratuity**  
The Company has covered it's liability towards employees' gratuity under Employees Group Gratuity Assurance Scheme of Life Insurance Corporation of India (LIC). The Company accordingly pays the premium to LIC and accounts for the same. Contributions for provident fund are charged to the Profit & Loss Account based on contributions made in terms of the applicable scheme. The additional provision for Gratuity payable as per the actuarial valuation is also provided in the books of account. The company provides for value of unutilized leave, if any, due to employees at the end of the year.

ii) **Provident Fund**

Contribution towards provident fund for certain employees is made to the regulatory authorities, where the company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the company does not carry any further obligations, apart from the contributions made on a monthly basis.

(l) **Current & Deferred Tax**

- Tax Expense for the period, comprising Current Tax and Deferred Tax are included in the net profit or loss for the period
- Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing in India.
- Deferred Tax is recognized for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognized and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized
- Deferred Tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. At each Balance Sheet date, the Company re-assesses unrecognized deferred tax assets, if any.

(m) **Cash and Cash Equivalents**

In the cash flow statements, cash and cash equivalents includes cash on hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

(n) **Provisions, Contingent Liabilities and Contingent Assets**

i) **Provisions**

- Provisions are recognized when there is a present obligation as a result of a past event, it is probable that an outflow of benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation.

ii) **Contingent Liabilities**

- Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only on the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.



(o) **Earnings Per Share**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for the events, such as bonus share. Other than conversion of potential equity share, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating, diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

**2 SHARE CAPITAL**

	<b>No. of Shares</b>	<b>31st March 2013</b>	<b>31st March 2012</b>
<b>AUTHORISED</b>			
Equity shares of Rs.10/- each	1,998,000	19,980,000	19,980,000
11% Non-cumulative Redeemable preference shares of Rs.10/- each	2,000	20,000	20,000
		<b>20,000,000</b>	<b>20,000,000</b>
<b>ISSUED, SUBSCRIBED AND FULLY PAID-UP</b>			
Equity shares of Rs.10/- each	1,629,000	<b>16,290,000</b>	<b>16,290,000</b>

(Out of the above 6,00,000 Equity Shares were issued as Fully Paid Bonus Shares by capitalization of Revaluation Reserve)

a) **The reconciliation of the number of shares outstanding and the amount of share capital**

	<b>31st March 2013</b>		<b>31st March 2012</b>	
	<b>No. of Shares</b>	<b>Amount Rs.</b>	<b>No. of Shares</b>	<b>Amount Rs.</b>
Balance at the beginning of the year	1,629,000	<b>16,290,000</b>	1,629,000	16,290,000
Balance at the end of the year	<b>1,629,000</b>	<b>16,290,000</b>	<b>1,629,000</b>	<b>16,290,000</b>

b) The details of shareholders holding more than 5% shares Class of shares / Name of shareholder	31st March 2013		31st March 2012	
	No. of Share held	% of Share held	No. of Share held	% of Share held
1.Mr. Jayant Navinchandra Parekh / Mrs. Rupam Jayant Parekh.	591,900	36.34%	584,900	35.91%
2.Smt. Nishita Kirit Shah.	302,000	18.54%	302,000	18.54%
3. N.H.Securities Ltd.	274,000	16.82%	274,000	16.82%

c) **Terms/Rights attached to Shares:**

The Company has only one class of Shares i.e. Equity Shares having a par value of Rs.10/-. Each holder of Equity Shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**3 RESERVES AND SURPLUS**

	31st March 2013	31st March 2012
Securities premium account		
Opening balance	12,870,000	12,870,000
Closing balance	<b>12,870,000</b>	<b>12,870,000</b>
General reserve		
Opening balance	31,773,000	31,773,000
Add: Transferred from surplus in Statement of Profit and Loss	519,000	-
Less: Utilized / transferred during the year for:	-	-
Closing balance	<b>32,292,000</b>	<b>31,773,000</b>
Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	237,459,906	229,403,663
Add: Profit / (Loss) for the year	10,721,230	9,949,508
Amount available for Appropriation	248,181,136	239,353,171
Less: Dividends proposed to be distributed to equity shareholders	2,443,500	1,629,000
Tax on dividend	396,397	264,265
Transferred to General reserve	519,000	-
Closing balance	<b>244,822,239</b>	<b>237,459,906</b>
<b>Balance at the end of the year</b>	<b>289,984,239</b>	<b>282,102,906</b>

**4 LONG TERM BORROWINGS**

**Secured (Refer Note Below)**

**Term Loans**

Rupee Term Loan - Banks	842,262	7,752,770
Rupee Term Loan - Others	3,258,368	4,465,916

**Unsecured**

Unsecured from others	5,021,200	10,421,200
	<b>9,121,830</b>	<b>22,639,886</b>

Note: Terms of Borrowing								
Nature of Security	Original Amount of Borrowing in Rs.	Tenor at inception (in years)	Terms of Repayment	Month in which last installment is due	Repayment schedule installments	31st March 2013	31st March 2012	Pre-vailing interest rate p.a.
HDFC BANK - CAR LOAN	475,000	3 years	EMI	Jun-12	15,623	-	45,946	13.85%
HDFC BANK - CAR LOAN	818,000	3 years	EMI	Apr-13	25,950	25,749	319,612	9.37%
HDFC BANK - CAR LOAN	899,000	3 years	EMI	Apr-13	28,642	28,429	353,258	9.13%
HDFC BANK TERM LOAN - FACTORY BUILDING	39,100,000	4 Years	EMI	Jun-14	1,024,907	11,458,590	21,345,009	13.85%
TATA CAPITAL LTD - CAR LOAN	590,000	3 years	EMI	Apr-13	18,624	-	229,806	10.00%
TATA CAPITAL LTD - CAR LOAN	900,000	3 years	EMI	Apr-13	29,000	28,743	354,788	10.00%
STATE BANK OF INDIA - CAR LOAN	751,000	3 years	EMI	Dec-15	23,848	695,766	-	8.91%
L & T FINANCE LTD. - MACHINERY	2,890,000	3 years	EMI	Oct-12	97,097	Repaid	651,566	12.80%
L & T FINANCE LTD. - MACHINERY	5,123,887	3 years	EMI	Oct-12	172,151	Repaid	1,155,242	12.80%
L & T FINANCE LTD. - MACHINERY	4,760,000	3 years	EMI	Nov-12	159,925	Repaid	1,220,110	12.80%
L & T FINANCE LTD. - MACHINERY	4,232,000	3 years	EMI	Sep-12	142,185	Repaid	822,148	12.80%
L & T FINANCE LTD. - MACHINERY	1,549,207	3 years	EMI	Jul-13	52,050	202,763	761,887	12.80%
L & T FINANCE LTD. - MACHINERY	1,863,913	3 years	EMI	Aug-13	63,251	306,378	978,650	12.80%
L & T FINANCE LTD. - MACHINERY	1,845,661	3 years	EMI	Aug-13	62,010	300,370	959,457	12.80%
L & T FINANCE LTD. - MACHINERY	2,668,079	3 years	EMI	Jun-13	89,641	263,280	1,236,492	12.80%
L & T FINANCE LTD. - MACHINERY	3,518,000	3 years	EMI	Nov-13	118,959	914,800	2,131,979	13.25%
L & T FINANCE LTD. - MACHINERY	5,287,000	3 years	EMI	Nov-13	178,777	1,359,082	3,190,257	13.25%
L & T FINANCE LTD. - MACHINERY	4,275,000	3 years	EMI	Dec-13	144,574	1,246,794	2,709,398	13.25%
L & T FINANCE LTD. - MACHINERY	2,100,000	3 years	EMI	May-14	71,264	913,358	1,594,401	13.50%
L & T FINANCE LTD. - MACHINERY	3,282,038	3 years	EMI	Sep-15	111,806	2,830,859	-	13.75%
L & T FINANCE LTD. - MACHINERY	2,250,573	3 years	EMI	Oct-15	76,669	1,994,965	-	13.75%
Sub Total						22,569,926	40,060,026	
Less : Current Maturities of Long Term Debt						18,469,296	27,841,340	
Total						4,100,630	12,218,686	

## 5 DEFERRED TAX LIABILITES (NET)

	31st March 2013	31st March 2012
<b>Deferred Tax Liabilites</b>		
Difference between book and tax depreciation	22,959,407	22,959,407
	<b>22,959,407</b>	<b>22,959,407</b>

## 6 SHORT TERM BORROWINGS

### Secured

From Banks :

Working Capital Borrowing repayable on demand	196,209,952	201,322,523
Current Maturities of Long Term Debt		
Rupees Term Loan	18,469,296	27,841,340
	<b>214,679,248</b>	<b>229,163,863</b>

Note :Secured Working capital borrowings, Rupee Term Loans and Buyer Import Credit for Raw Materials are secured by way of hypothecation of Inventories, Book debts, Receivables, Land & Building and plant & machinery, both present and future.

All Woking Capital Borrowings, Rupee Term Loans carry an average Interest Rate of 12.50% p.a

## 7 TRADE PAYABLES

Total outstanding dues of creditors Under Micro and Small Enterprises ( Refer Note Below )	-	-
Total outstanding dues of creditors other than Micro and Small Enterprises	169,284,911	104,586,212
	<b>169,284,911</b>	<b>104,586,212</b>

Note :Based on the information available with the company, there are no suppliers who are registered under the Micro, Small and Medium Enterprises Development Act, 2006 as at 31st March 2013. Hence the information as required under the Micro, Small and Medium Enterprises Development Act, 2006 is not disclosed.

## 8 OTHER CURRENT LIABILITES

Unpaid Dividends	2,865,910	2,820,410
Other Payables for:		
Excise Duty on Finished Goods (Net)	5,385,354	6,698,504
Statutory Liabilites	6,065,670	1,491,547
Others	1,127,647	386,426
	<b>15,417,581</b>	<b>11,396,887</b>

## 9 SHORT TERM PROVISIONS

	31st March 2013	31st March 2012
<b>Provision for employee benefits:</b>		
Provision for bonus	2,862,167	2,538,871
Provision for gratuity	2,675,424	1,571,865
Others	4,097,690	3,613,562
	9,635,281	7,724,298
<b>Provision - Others:</b>		
Provision for tax	2,700,000	2,000,000
Provision for proposed equity dividend	2,443,500	1,629,000
Provision for tax on proposed dividends	396,397	264,265
Provision - others	15,470,504	13,600,577
	21,010,401	17,493,842
<b>Total</b>	<b>30,645,682</b>	<b>25,218,140</b>

Note: The Board of Directors has recommended dividend @ Rs.1.50 Per Equity Share of Rs.10/- each on 16,29,000 Equity shares for the year ended 31st March 2013 ( Previous Year Rs.1/- Per Equity Share of Rs. 10/-each on 16,29,000 Equity Shares).

## 10 FIXED ASSETS as per separate statement

11 NON CURRENT INVESTMENTS	No. of Shares	FV		
<b>Investment in equity instruments</b>				
<i>- of joint venture companies</i>				
Fancy Fittings Pty Ltd.	50,000	S.A Rand 1	317,400	317,400
<i>-of other entities</i>				
Dhanush Techonologies Ltd.	51,000	10	3,000,000	3,000,000
India Bulls Financial Services Ltd	7,000	2	4,332,693	4,332,693
Cinerad Communications Ltd	2,000	10	60,000	60,000
Kothari Petro Ltd	25,000	10	2,112,242	2,112,242
<b>Investment in government or trust securities</b>				
Kisan Vikas Patra			15,000	15,000
<b>Investment in mutual funds</b>				
SBI Infrastructure Fund - Series I	50,000	10	500,000	500,000
SBI Smart ULIP Plan			300,000	200,000
<b>Other investments</b>				
Membership with Prestige Holiday Pvt. Ltd			192,998	192,998
			<b>10,830,333</b>	<b>10,730,333</b>

	31st March 2013	31st March 2012
Aggregate Value of Unquoted Investment – at cost	1,325,398	1,225,398
Aggregate Value of Quoted Investment – at cost	9,504,935	9,504,935
- at market value	2,085,900	1,892,450
<b>12 INVENTORIES</b>		
Raw Materials	54,797,443	59,597,942
Stock-in-Process	103,658,236	65,625,055
Finished Goods	58,606,771	70,146,673
Stores, Spares and Packing Material	10,659,435	6,681,109
	<b>227,721,885</b>	<b>202,050,779</b>
<b>13 TRADE RECEIVABLES</b> (Unsecured Considered Good)		
Outstanding for a period exceeding Six months from the date they are due for payment	14,314,636	16,610,093
Others	135,804,602	97,116,550
	<b>150,119,238</b>	<b>113,726,643</b>
<b>14 CASH AND BANK BALANCES</b>		
<b>Cash and Cash Equivalents</b>		
Cash on Hand	405,790	795,078
<b>Bank Balance</b>		
In Current Accounts	5,927,565	10,160,197
	<b>6,333,355</b>	<b>10,955,275</b>
<b>Other Bank Balances</b>		
Deposit Accounts maturing within 12 months	988,591	929,040
Unpaid Dividend	2,912,508	2,850,501
Margin Money Deposits	12,478,805	12,890,340
Total	<b>22,713,259</b>	<b>27,625,156</b>
<b>15 SHORT TERM LOANS AND ADVANCES</b> (Unsecured Considered Good)		
To Related Parties		
Fancy Fittings Pty. Ltd	4,206,250	4,206,250
Other Loans and Advances	66,736,277	75,576,428
	<b>70,942,527</b>	<b>79,782,678</b>

<b>16 OTHER CURRENT ASSETS</b> (Unsecured Considered Good)	<b>31st March</b> <b>2013</b>	<b>31st March</b> <b>2012</b>
CENVAT Credit Receivable	15,401,851	12,669,359
VAT Credit Receivable	827,958	507,586
Others	9,039,280	9,891,953
	<b>25,269,089</b>	<b>23,068,898</b>
<b>17 REVENUE FROM OPERATIONS</b>		
<b>Sale of Products (Refer note 2 below)</b>		
Finished Goods	742,395,901	635,188,847
Traded Goods	16,252,375	7,651,378
Labour Charges Received	531,920	592,064
<b>Other Operating Revenue</b>		
Scrap Sales	172,029	177,354
Duty Drawback	777,026	127,000
Profit on Sale of Dies & Moulds	669,250	5,562,362
Revenue from Operations (Net)	<b>760,798,501</b>	<b>649,299,004</b>
<b>Note 1 : Excise Duty on sales (above turnover is net of excise duty)</b>	<b>41,399,410</b>	<b>35,689,664</b>
<b>Note 2 : Details of Sale of Products</b>		
<b>Particulars</b>		
Hangers	116,651,808	84,974,813
Luggage Fittings	195,168,977	179,564,793
Toys	30,973,664	28,426,099
Stationery	-	15,334,709
IKEA Consumer Goods	320,249,842	248,547,657
Consumables	53,338,355	42,469,345
Furniture Parts	25,985,302	33,056,488
Others	27,953	2,814,943
	<b>742,395,901</b>	<b>635,188,847</b>
<b>18 OTHER INCOME</b>		
Interest Income on Bank FD	602,014	802,776
Dividend received on Non Current Investments (Trade)	156,000	89,500
Profit on Sale of Assets	-	541,720
Profit on Foreign Currency Transactions and Translation	4,969,226	1,390,259
	<b>5,727,240</b>	<b>2,824,255</b>

<b>19 COST OF MATERIALS CONSUMED</b>	<b>31st March 2013</b>	<b>31st March 2012</b>
<b>RAW MATERIALS CONSUMED</b>		
Opening Stock	59,597,942	76,771,964
Add: Purchases	478,544,943	357,484,846
Less: Closing Stock	54,797,443	59,597,942
Net Cost of Materials Consumed	<b>483,345,442</b>	<b>374,658,868</b>
<b>20 PURCHASE OF STOCK IN TRADE</b>		
- Purchase of Traded Goods	<b>15,889,550</b>	<b>7,272,168</b>
<b>21 CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK IN PROCESS</b>		
<b>Closing Stock</b>		
Finished Goods	58,606,771	70,146,673
Stock-in-Process	103,658,236	65,625,055
	<b>162,265,007</b>	<b>135,771,728</b>
<b>Less: Opening Stock</b>		
Finished Goods	70,146,673	67,008,371
Stock-in-Process	65,625,055	62,627,451
	<b>135,771,728</b>	<b>129,635,822</b>
Less: Increase / (Decrease) in Excise Duty on Stocks	-	-
(Increase)/Decrease in Stocks	<b>(26,493,279)</b>	<b>(6,135,906)</b>
<b>22 EMPLOYEE BENEFITS EXPENSE</b>		
Salaries, Wages and Bonus	69,867,403	60,951,273
Contribution to Provident and Other Funds( Refer Note 25)	4,183,654	4,148,706
Workers and Staff Welfare Expenses	740,326	698,202
PF Administration Charges	410,193	310,468
	<b>75,201,576</b>	<b>66,108,649</b>
<b>23 FINANCE COST</b>		
Interest Expense	33,117,533	35,217,819
Other Borrowing Costs	4,941,742	5,289,073
	<b>38,059,275</b>	<b>40,506,892</b>



<b>24 OTHER EXPENSES</b>	<b>31st March 2013</b>	<b>31st March 2012</b>
Stores, Spare Parts and Packing Material Consumed		
Opening Stock	6,681,109	5,168,900
Add:- Purchases	40,236,466	33,420,221
Less:- Closing Stock	10,659,435	6,681,109
	<b>36,258,140</b>	<b>31,908,012</b>
Job Work Charges Paid	9,479,210	8,117,252
Power & Fuel	29,840,037	25,669,738
Repacking Division Expenses	10,301,783	8,991,475
Factory Overheads	6,592,516	8,488,016
Selling & Distribution	17,155,641	14,006,160
Repairs & Maintenance	7,115,008	7,812,055
Travelling & Conveyance	4,517,680	3,282,367
Other Administration Expenses	9,759,378	8,879,138
Rates & Taxes	(74,735)	12,180
Payment to Auditors		
As Audit Fees		
For Statutory Audit and Limited Reviews	202,248	180,000
For Tax Audit	78,652	70,000
For Other Services	112,360	75,000
Loss on Sale of Assets	1,318,013	-
Other Expenses	7,814,642	9,458,948
	<b>140,470,573</b>	<b>126,950,340</b>

## **25 DISCLOSURE IN ACCORDANCE WITH REVISED AS-15 ON "EMPLOYEES BENEFITS"**

### **a) Defined Contribution Plans**

The Company has recognized the following amounts in the statement of Profit and Loss for the year:

<b>Particulars</b>		
Employer's Contribution to PF	3,367,331	3,427,994
Employer's Contribution to ESIC	816,323	790,457
	<b>4,183,654</b>	<b>4,218,451</b>

### **b) Defined Benefit Plans - Gratuity**

The present value of obligation of gratuity, as per actuarial valuation for the year ended on 31<sup>st</sup> March, 2013 is Rs.35,70,064/-. The present value of the fund which the Company has maintained under Employees' Group Gratuity Assurance Scheme of Life Insurance Corporation of India (LIC) is Rs.10,84,000/-. The balance of Rs.24,86,064/- has been provided in the Books of Account as per the provisions of AS-15 of the Institute of Chartered Accountants of India.

## **26 CAPITAL COMMITMENTS**

No Capital Commitments are pending as at 31st March 2013.

<b>27 CONTINGENT LIABILITY IN RESPECT OF:</b>	<b>31st March 2013</b>	<b>31st March 2012</b>
Claims against the company not acknowledgement as debts (to the extent not provided for)		
Sales-Tax Matters	6,521,884	6,521,884
Counter Guarantee Given to the Bank	1,400,000	1,400,000
Central Excise & Service Tax Matters	10,872,614	-
	<b>18,794,498</b>	<b>7,921,884</b>

## **28 EARNINGS PER SHARE (EPS)**

Weighted average number of shares at the beginning and end of the year	1,629,000	1,629,000
Net Profit after Tax available for Equity Shareholders	10,721,230	9,949,508
Basic & Diluted Earning per Share (Rs.) (Nominal Value - Rs. 10/- per Share)	6.58	6.11

## **29 REVALUATION OF ASSETS**

The Company has revalued Plant & Machinery on 30.06.1994 by Rs. 60 Lacs on the basis of current replacement cost of these assets as per Valuation Report by a Government Approved Valuer.

## **30 SEGMENT REPORTING**

The Company is operating in a single segment of Plastic Moulded Articles.

## **31 RELATED PARTY RELATIONSHIPS**

**( As identified by the Management and where transactions exist)**

### **(i) Related Party Relationships**

#### **(a) Key Management Personnel**

Mr. Jayant N. Parekh

Managing Director

Mrs. Nishita K Shah

Whole time Director

#### **(b) Other Related Parties**

Zipper (India) Pvt. Ltd.

Apeksha Plastic Products Pvt. Ltd.

Mrs. Amita A. Shah

Fancy Fittings Pty. Ltd.

Mr. Anup K. Shah

Ms. Riddhi K. Shah

(ii) Transactions with Related Parties

Name	Nature of Transaction	2013		2012	
		Volume of Transaction (Rs. in Lacs)	Outstanding as on 31.03.13 (Rs. in Lacs)	Volume of Transaction (Rs. in Lacs)	Outstanding as on 31.03.12 (Rs. in Lacs)
Mr. Jayant N. Parekh	Remuneration	28.50	5.06 Cr.	28.50	1.85 Cr.
	Loan Received	NIL	40.00 Cr.	94.00	94.00 Cr.
Mrs. Nishita K Shah	Remuneration	13.86	0.74 Cr.	13.23	0.24 Cr.
Zipper India Pvt. Ltd.	Rent paid	1.08	1.90 Cr.	1.08	1.49 Cr.
Apeksha Plastic Products Pvt. Ltd.	Loan Received	NIL	4.21 Cr.	NIL	4.21 Cr.
Fancy Fittings Pty. Ltd.	Sales	NIL	3.65 Dr.	NIL	32.08 Dr.
	Loan Given	NIL	42.06 Dr.	NIL	42.06 Dr.
Amita A. shah	Remuneration	0.60	0.05 Cr.	0.60	0.05 Cr.
Riddhi K. Shah	Stipend	1.20	0.10 Cr.	1.05	0.10 Cr.

32 ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS 3 AND 4 OF PART II OF SCHEDULE VI TO THE COMPANIES ACT 1956

a) Consumption of Raw Materials :

Particulars of Raw Materials	2012-13 Rs. In Lacs	2011-12 Rs. In Lacs
Polymer Granules	3,929.54	2,442.79
Other Items	903.92	1,303.80
Cost of Goods Traded	158.90	72.72
	<b>4,992.35</b>	<b>3,819.31</b>

b) Value of Materials consumed and Percentage thereof:

	Consumption ( Rs. in Lacs)					
	Total Value of Consumption		Imported		Indigenous	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
Raw Materials	4,833.45	3,746.59	2,480.29	1,641.71	2,353.17	2,104.88
Stores, Spares and Packing Material	<u>362.58</u>	<u>319.08</u>	<u>0.00</u>	<u>0.00</u>	<u>362.58</u>	<u>319.08</u>
	5,196.04	4,065.67	2,480.29	1,641.71	2,715.75	2,423.96
<b>Percentage in Total Consumption</b>						
Raw Materials			51.31%	43.82%	48.69%	56.18%
Stores, Spares and Packing Material			0.00%	0.00%	100.00%	100.00%

	2012-13 (Rs.in Lacs)	2011-12 (Rs.in Lacs)
<b>c) C.I.F. value of imports</b> (excluding high seas purchases)		
- Capital Goods	25.08	25.69
- Raw Materials	2,312.92	1,339.42
- Other Purchases for Trading	NIL	NIL
	<b>2,338.72</b>	<b>1,365.11</b>
<b>d) Expenditure in foreign currency</b>		
- Travelling	7.33	1.95
- Marketing Service Charges	19.55	33.71
- Product Testing Charges	11.20	-
- Others	-	3.14
	<b>38.08</b>	<b>38.80</b>
<b>e) Earnings in foreign currency</b> (excluding deemed exports)		
- FOB Value of Exports made during the year	<b>4,074.92</b>	<b>3,113.43</b>

**33** Previous Years' figures have been regrouped / rearranged wherever necessary.

As per our report of even date  
For N. B. PAREKH & ASSOCIATES  
Chartered Accountants

J. N. PAREKH  
Chairman & Managing Director

N. B. PAREKH  
Proprietor  
M. No. 46873 & Firm Reg. No. 115408W  
Mumbai, 22<sup>nd</sup> July, 2013

Nishita K Shah  
Wholetime Director  
Mumbai, 22<sup>nd</sup> July, 2013

SCHEDULE '10':  
FIXED ASSETS

Description of Assets	GROSS BLOCK			Deduction during the year	DEPRECIATION			NET BLOCK			
	As on 31/03/2012	Additions during the year	Deduction during the year		As on 31/03/2013	Upto 31/03/2012	For the Year	Less: On Deduction	Upto 31/03/2013	As on 31/03/2013	As on 31/03/2012
	Rs.	Rs.	Rs.		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Leasehold Land	14,023,831.00	-	-	14,023,831.00	-	-	-	-	14,023,831.00	14,023,831.00	
Freehold Land	2,406,179.00	-	-	2,406,179.00	-	-	-	-	2,406,179.00	2,406,179.00	
Banglore property	1,466,720.00	-	-	1,466,720.00	-	-	-	-	1,466,720.00	1,466,720.00	
Buildings	85,038,176.00	1,943,478.00	-	86,981,654.00	17,739,242.00	2,822,208.00	-	20,561,450.00	66,420,204.00	67,298,934.00	
Plant & Machinery	223,143,932.00	12,223,057.00	5,914,636.00	229,452,353.00	94,256,896.00	14,458,884.00	3,656,272.00	105,059,508.00	124,392,845.00	128,887,036.00	
Dies & Moulds	105,146,915.00	15,854,566.00	-	121,001,481.00	75,084,637.00	8,061,573.00	-	83,146,210.00	37,855,271.00	30,062,278.00	
Furniture & Fixtures	8,275,713.00	63,700.00	-	8,339,413.00	5,836,566.00	519,719.00	-	6,356,285.00	1,983,128.00	2,439,147.00	
Vehicles	11,592,592.00	1,679,464.00	2,169,810.00	11,102,246.00	4,766,681.00	1,002,908.00	1,025,161.00	4,744,428.00	6,357,818.00	6,825,911.00	
Trade Mark	20,616.00	-	17,526.00	-	-	-	-	-	3,090.00	20,616.00	
Goodwill	101,680.00	-	101,680.00	-	-	-	-	-	-	101,680.00	
<b>TOTAL Rs.</b>	<b>451,216,354.00</b>	<b>31,764,265.00</b>	<b>8,203,652.00</b>	<b>474,776,967.00</b>	<b>197,684,022.00</b>	<b>26,865,292.00</b>	<b>4,681,433.00</b>	<b>219,867,881.00</b>	<b>254,909,086.00</b>	<b>253,532,332.00</b>	
<b>PREVIOUS YEAR Rs.</b>	438,042,230.00	22,857,523.00	9,683,399.00	451,216,354.00	172,992,733.00	27,303,388.00	2,612,099.00	197,684,022.00	253,532,332.00	265,049,498.00	

NOTES: 1. The Company has revalued Plant & Machinery on 30.06.1994 by Rs. 60 Lacs on the basis of current replacement cost of these assets as per Valuation Report by a Government Approved Valuer.