



OPAL LUXURY TIME PRODUCTS LIMITED

ANNUAL REPORT 2012-13



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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

Registrar & Share Transfer Agents

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

Factory

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

Bankers

Central Bank of India

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.

CONTENTS

Sr. No.	Particulars	Page No.
1.	Notice convening Sixth AGM	1-6
2.	Directors' Report	7-9
3.	Management Discussion and Analysis	10-12
4.	Report on Corporate Governance	13-18
5.	Financial Statements	19-37

NOTICE

NOTICE is hereby given that, the Sixth Annual General Meeting of the members of Opal Luxury Time Products Limited will be held on Friday, 27th day of September, 2013 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, consider and adopt the audited Balance Sheet as at, and the Profit and Loss Account for the Financial Year ended March 31, 2013 together with the Directors' report and Auditors' report thereon.

Item No. 2: Reappointment of Ms. Pratibha Gujar

To appoint a Director in place of Ms. Pratibha Gujar who retires by rotation and being eligible offers herself for re-appointment.

Item No. 3: Reappointment of Mr. Ramprasad Joshi

To appoint a Director in place of Mr. Ramprasad Joshi who retires by rotation and being eligible offers himself for re-appointment.

Item No. 4: Appointment of Auditor

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

SPECIAL BUSINESS

Item No. 5: Appointment of Mr. O K Balraj as a Director

To consider and if through fit, to pass, with or without modification(s), following resolution as an Ordinary Resolution;

"RESOLVED THAT Mr. O K Balraj was co-opted as an Additional Director by the Board of Directors of the Company (the Board), with effect from November 26, 2012 and who holds office up to the date of this Annual General Meeting pursuant to Article 152 of the Articles of Association of the Company, read with Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice pursuant to Section 257 of the Companies Act, 1956 from a Member in writing, proposing his candidature for the office of Director, be and is hereby appointed as a Nominee Director of the Company (representing Innovative Venture Limited) liable to retire by rotation with immediate effect.

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

Item No. 6: Appointment of Mr. Pradeep Tupe as a Director

To consider and if through fit, to pass, with or without modification(s), following resolution as an Ordinary Resolution;

"RESOLVED THAT Mr. Pradeep Tupe was co-opted as an Additional Director by the Board of Directors of the Company (the Board), with effect from November 26, 2012 and who holds office up to the date of this Annual General Meeting pursuant to Article 152 of the Articles of Association of the Company, read with Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice pursuant to Section 257 of the Companies Act, 1956 from a Member in writing, proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company liable to retire by rotation with immediate effect.

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

Item No. 7: Appointment of Mr. Ramachandran Nair as a Director

“RESOLVED THAT Mr. Ramachandran Nair was co-opted as an Additional Director by the Board of Directors of the Company (the Board), with effect from December 08, 2012 and who holds office up to the date of this Annual General Meeting pursuant to Article 152 of the Articles of Association of the Company, read with Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice pursuant to Section 257 of the Companies Act, 1956 from a Member in writing, proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company liable to retire by rotation with immediate effect.

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

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

Company Secretary

Place: Pune

Date: May 16, 2013

Registered Office:

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 AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL ONLY INSTEAD OF HIMSELF/HERSELF AND SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY;
2. Proxies in order to be effective must be received by the company not less than 48 hours before the time appointed for the Meeting;
3. Pursuant to section 173 of the Companies Act, 1956, an Explanatory Statement in respect of the business mentioned under Item No. 5 to 7 above, is annexed hereunder;
4. The Register of Members and Share Transfer Register will remain closed from September 23, 2013 to September 27, 2013 (both days inclusive);
5. 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;
6. 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;
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. Pursuant to the requirements of the Listing Agreement with the Stock Exchange with respect to Corporate Governance, the information about the Directors proposed to be re-appointed at the Annual General Meeting is annexed hereunder;
9. Corporate Member intending to send their Authorised 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;
10. Members are requested to bring their attendance slip and copy of the annual report at the Meeting;

11. Opal Luxury Time Products Limited is concerned about the environment and believes in utilization of natural resources in a suitable way. The Ministry of Corporate Affairs ("MCA"), Government of India, has by its Circular Nos. 17/2011 and 18/2011, dated April 21, 2011 and April 29, 2011 respectively, permitted the Companies to send the official documents to their shareholders electronically as part of its green initiative in the Corporate Governance. We request you to update your email address with your Depository Participants to ensure that the annual report and other documents reach you on preferred email account.

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

Company Secretary

Place: Pune
Date: May 16, 2013

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No. 5

Mr. O K Balraj (Nominee Director representing Innoventive Venture Limited) was co-opted as an Additional Director of the Company with effect from November 26, 2012 pursuant to Section 260 of the Companies Act, 1956. He holds office of Director up to the date of the Annual General Meeting. The Company has received a notice in writing from a member along with a deposit of ₹ 500/- proposing the candidature of Mr. O K Balraj for the office of Director under the provisions of Section 257 of the Companies Act, 1956. None of the Directors other than Mr. O K Balraj is interested or concerned in the resolution.

The Board of Directors accordingly recommends the resolution as set out in Item No. 5 of the Notice for approval of the Members.

Item No. 6

Mr. Pradeep Tupe was co-opted as an Additional Director of the Company with effect from November 26, 2012 pursuant to Section 260 of the Companies Act, 1956. He holds office of Director up to the date of the Annual General Meeting. The Company has received a notice in writing from a member along with a deposit of ₹ 500/- proposing the candidature of Mr. Pradeep Tupe for the office of Director under the provisions of Section 257 of the Companies Act, 1956. None of the Directors other than Mr. Pradeep Tupe is interested or concerned in the resolution.

The Board of Directors accordingly recommends the resolution as set out in Item No. 6 of the Notice for approval of the Members.

Item No. 7

Mr. Ramachandran Nair was co-opted as an Additional Director of the Company with effect from December 08, 2012 pursuant to Section 260 of the Companies Act, 1956. He holds office of Director up to the date of the Annual General Meeting. The Company has received a notice in writing from a member along with a deposit of ₹ 500/- proposing the candidature of Mr. Ramachandran Nair for the office of Director under the provisions of Section 257 of the Companies Act, 1956. None of the Director other than Ramachandran Nair is interested or concerned in the resolution.

The Board of Directors accordingly recommends the resolution as set out in Item No. 7 of the Notice for approval of the Members.

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

Company Secretary

Place: Pune

Date: May 16, 2013

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. Ms. Pratibha Gujar

Profile and expertise:

Ms. Pratibha Gujar, aged 55 years, is a Promoter and Non-Executive Director of our Company. She holds a degree in Bachelor of Arts from University of Poona. She has a work experience of over 15 years in retailing of watches and clocks.

Companies (other than Opal Luxury Time Products Limited) in which Ms. Pratibha Gujar holds directorship and committee memberships

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

Ms. Pratibha Gujar holds 415851 equity shares of the Company.

She is mother of Mr. Sameer Gujar, Managing Director of the Company which comes under the purview of Section 6 of the Companies Act, 1956.

2. Mr. Ramprasad Joshi

Profile and expertise:

Mr. Ramprasad Joshi, aged 43 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.

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
• Innoventive Industries Limited	Innoventive Industries Limited • IPO Committee	Innoventive Industries Limited • Audit Committee
• Innoventive Venture Limited	Innoventive Venture Limited • Shareholders'/ Investors' Grievance Committee	Innoventive Venture Limited • Audit Committee

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 as per Section 6 of the Companies Act, 1956.

3. Mr. O K Balraj

Profile and expertise:

Mr. O K Balraj, aged 57 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.

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"> Innovative Venture Limited geneOmbio Technologies Private Limited Aim Filtertech 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 as per Section 6 of the Companies Act, 1956.

4. PRADEEP TUPE

Profile and expertise:

Mr. Pradeep Tupe, aged 55 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.

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
<ul style="list-style-type: none"> Innovative Industries Limited 	Innovative Industries Limited <ul style="list-style-type: none"> Shareholders'/ Investors' Grievance, Share Allotment and Share Transfer Committee 	Innovative Industries Limited <ul style="list-style-type: none"> Audit Committee
<ul style="list-style-type: none"> Innovative Venture Limited 	Innovative Venture Limited <ul style="list-style-type: none"> Audit Committee 	Innovative Venture Limited <ul style="list-style-type: none"> 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 as per Section 6 of the Companies Act, 1956.

5. RAMACHANDRAN NAIR

Profile and expertise:

Mr. Ramachandran Nair, aged 60 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.

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 as per Section 6 of the Companies Act, 1956.

DIRECTORS' REPORT

Your Directors have pleasure in presenting the Sixth Annual Report of the Company together with the Audited Financial Statements for the year ended March 31, 2013.

SUMMARISED FINANCIAL RESULTS

(₹ in Lacs)		
Particulars	Year ended 31.03.2013	Year ended 31.03.2012
Turnover / Income (Gross)	2,425.15	1,821.24
Turnover/Income Net)	2,269.13	1,721.53
Other Income	13.30	9.09
Total Expenditures	1,752.50	1,255.11
Interest and Finance Cost	165.30	171.69
Depreciation	52.42	12.85
Profit Before Tax	312.21	290.98
Tax Expenses		
Current Tax	62.47	56.57
MAT Credit	(60.02)	(54.80)
Differed Tax Liability	(9.37)	1.84
Tax for earlier year	-	2.83
MAT Credit for earlier year	-	(2.88)
Profit After Tax	319.14	287.42
Balance Brought forward from last year	760.51	473.09
Profit Available for Appropriation	1,079.65	760.51
Appropriations	1,079.65	760.51
Dividend	-	-
Balance Carried over to Balance sheet	1,079.65	760.51
Earnings Per Share (Basic & Diluted)	14.56	23.47
Number of Shares*	2358818	2177000

* Number of shares has shown in actual numbers.

Previous year's figures have been regrouped wherever necessary.

REVIEW OF OPERATIONS

During the year under review, the Company earned a profit of ₹ 319.14 lacs as compared to a profit of ₹ 287.42 lacs for the previous year.

INITIAL PUBLIC OFFER (IPO)

The Company raised ₹ 1,300 lacs from public through its Initial Public Offer (IPO) during March 2013. In the month of April 2013 the Company issued & allotted 1000000 equity shares of ₹ 10/- each at a premium of ₹ 120/- per share under IPO.

Prior to the IPO, the Company allotted 181818 equity shares of ₹ 10/- each at a price of ₹ 110/- per share aggregating to ₹ 200 lacs approx. to "SIDBI Trustee Company Limited A/c India Opportunities Fund, managed by SIDBI Venture Capital Limited" (SVCL) under Pre-IPO placement.

The Company got listed on Emerge platform of National Stock Exchange of India Limited on April 12, 2013.

IPO funds shall be utilized broadly for Investments in moulds, tools & equipments and indigenisation of the designs for expansion of the existing manufacturing facility, branding and general corporate purposes as specified in the offer document.

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.

FIXED 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, Mr. Ramprasad Joshi was appointed as an Additional Director of the Company by the Board. Later on he was appointed as an Independent Director by the members at their Meeting held on October 25, 2012. Further, Mr. O K Balraj, Mr. Pradeep Tupe and Mr. Ramachandran Nair were inducted to the Board of the Company as Additional Directors holding office till the ensuing Annual General Meeting. (Mr. O K Balraj is a Nominee Director representing interest of Innoventive Venture Limited whereas Mr. Pradeep Tupe and Mr. Ramachandran Nair are Independent Directors).

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Ms. Pratibha Gujar and Mr. Ramprasad Joshi, retire by rotation at the forthcoming Annual General Meeting. Both of them, being eligible, seek re-appointment.

Pursuant to the requirement of the Listing Agreement of Stock Exchanges on Corporate Governance, the information about the Directors proposed to be appointed / re-appointed at the Annual General Meeting is given in the annexure to the Notice calling Sixth Annual General Meeting.

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 retire and, being eligible, offer themselves for appointment.

The Board of Directors recommends their appointment.

COST AUDIT

Pursuant to Section 233B and other applicable provisions. If any, of the Companies Act, 1956 and orders passed by Cost Audit Branch of Ministry of Corporate Affairs from time to time in this behalf, the Board has appointed M/s A J Paranjape & Co., Cost Accountant, to audit the cost accounts of the Company for the financial year 2013-14, subject to necessary approval of Central Government.

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 Rules 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: ₹ 7.43 lacs

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217(2AA) of the Companies Act, 1956, the Directors hereby confirm:

- (a) That in the preparation of Annual Accounts for the financial year ended on March 31, 2013, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- (b) That the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that were 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 ended March 31, 2013 and of the profit of the Company for that year;
- (c) That the Directors had, as far as possible, taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities, to the best of their knowledge and ability; and
- (d) That the Directors had prepared the Annual Accounts for the financial year ended on March 31, 2013 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 16, 2013

MANAGEMENT DISCUSSION AND ANALYSIS

INDIAN ECONOMY

2012-13 has been a challenging year for the economy. The Indian Economy has experienced its worst slowdown in nearly a decade on the back of global imbalances, domestic macro-economic imbalances and policy reversals on the fiscal front. Indian economy has had an estimated growth of 5% in 2012-13 as compared to the 6.2% in 2011-12.

It is to be noted that India's GDP grew by 9.3% in 2010-11. Thus, the growth rate has nearly halved in just three years. The government has forecasted a growth of 6.1%-6.7% for the year 2013-14, whilst the RBI expects the same to be at 5.7%. In late 2012, the Indian Government announced reforms and deficit reduction measures to reverse India's slowdown. The outlook India's medium-term growth is positive due to a young population and corresponding low dependency ratio, healthy savings and investment rates, and increasing integration into the global economy. As per the latest India Development Update of the World Bank, Indian economy would grow by 6.1% in 2013-14 on account of robust domestic demand, strong savings and investment rate.

The IMF, in its update of World Economic Outlook, lowered the world GDP growth projections by 0.1% each for 2013 and 2014 as compared to the October 2012 projections. This is on account of downside risks that continue in light of renewed setbacks in the Euro area and continued risks of excessive fiscal consolidation in the United States. In particular, the Euro-zone faced considerable fiscal strain in the face of an austerity driven recession during 2012. This makes the global environment in the coming years more uncertain and exporters might find it more challenging. The risk remains in rising oil prices as also inflation and thus monetary tightening. However, there are also possible positives with revival in industrial and rural sector growth and continuing reforms. The medium to long-term growth prospects of the Indian economy remain positive. The Company continues to explore various avenues, specifically opportunities arising out of recent changes of FDI norms in retail and various sectors.

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.

Our Company was incorporated as a private limited company in the year 2007 and is headquartered in Pune and currently has a manufacturing facility in the industrial area of Roorkee, Uttarakhand. 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.

2012-13 Financial Performance

- For the full year ended March 31, 2013 the Company has reported revenues of ₹ 22.69 crore resulting in growth of 32% in comparison to revenues of ₹ 17.22 crore in FY12
- EBITDA for FY13 stood at ₹ 5.17 crore is higher by 11% when compared to FY12 EBITDA of ₹ 4.66 crore
- PAT for FY13 was ₹ 3.19 crore is higher by 11% when compared to ₹ 2.87 crore PAT in FY12
- EPS for FY13 stood at ₹ 14.56 per share on enhanced capital base following Pre IPO Placement and Application money of IPO in March, 2013 as against FY12 EPS of ₹ 23.47 per share
- The Board does not recommend any dividend for the FY13.

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. Presently, we market our product line through 333 counters and 11 online shopping portals.

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

- 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
- Rising penetration of internet and e-commerce websites which may allow reach to interiors of the country

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.
- 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.

Forex: Relates to key operational risks and risks of fluctuations in foreign currency exchange rates.

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.

REPORT ON CORPORATE GOVERNANCE

Company's Philosophy

Opal Luxury Time Products Limited ("OPAL") got listed on Emerge platform of *National Stock Exchange of India Limited* ("NSE" or "the Exchange") on April 12, 2013.

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 2012-13 are given below:

Sr. No.	Date of Board Meeting	Sr. No.	Date of Board Meeting
1	April 10, 2012	9	September 14, 2012
2	April 25, 2012	10	October 01, 2012
3	May 15, 2012	11	October 15, 2012
4	June 20, 2012	12	November 26, 2012
5	July 16, 2012	13	December 08, 2012
6	August 6, 2012	14	January 22, 2013
7	August 11, 2012	15	March 13, 2013
8	August 28, 2012	-	-

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	15	Yes	1	NIL	1	2	433079
Ms. Pratibha Gujar (Promoter)	Non-executive Director	15	Yes	NIL	1	NIL	2	415851
Mr. Ramprasad Joshi	Independent Director	3	NA	NIL	3	3	4	NIL
Mr. O K Balraj	Nominee Director	1	NA	NIL	2	NIL	1	NIL
Mr. Pradeep Tupe	Independent Director	3	NA	NIL	3	3	4	NIL
Mr. Ramachandran Nair	Independent Director	1	NA	NIL	1	1	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 2012-13

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, 2013 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	0.05	NIL	0.05
Mr. Pradeep Tupe	NIL	NIL	NIL	NIL	NIL	0.10	NIL	0.10
Mr. Ramachandran Nair	NIL	NIL	NIL	NIL	NIL	0.05	NIL	0.05

Code of Conduct:

As Company got listed on Emerge Platform of NSE on **April 12, 2013** i.e. during the financial year 2013-14, therefore Clause 52 of the Listing Agreement was not applicable to the Company during FY 2012-13. However post listing, the Company has adopted Code of Conduct required under Clause 52 (ID) of the Listing Agreement. The Company's "Code of Conduct for Board of Directors and Senior Management" is applicable to all Directors and Senior Management of the Company. This Code of Conduct is also available on the Company's web-site.

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

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. No 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
Mr. Ramachandran Nair	Chairman	Independent Director
Mr. Pradeep Tupe	Member	Independent Director
Mr. Ramprasad Joshi	Member	Independent Director
Mr. Sameer Gujar	Member	Managing Director

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 2012-13 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.

Four 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	2
Ms. Pratibha Gujar	Member	Director	4
Mr. Sameer Gujar	Member	Managing Director	4

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.

Two 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	2
Ms. Pratibha Gujar	Member	Director	2
Mr. Ramprasad Joshi	Member	Independent Director	NIL

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
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
2009-10	Shree Ganesh, Plot No. 31, Shivaji Housing Society, Behind ICC Tower, Senapati Bapat Road, Pune – 411 016, Maharashtra.	September 30, 2010	10:15 A.M.	None

In addition to the Annual General Meeting, the Company held Extraordinary General Meetings of the Shareholders as and when required.

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

DISCLOSURES

- (i) There are no materially significant related party transactions which have potential conflict with the interest of the Company at large.
- (ii) 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.
- (iii) The Company has not adopted any Whistle Blower Policy.
- (iv) 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 are intended to be published in Financial Express and Loksatta or any other Newspaper and will also be displayed on Company's web www.opalclocks.com. 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** : Friday, September 27, 2013
- ❖ **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 23, 2013 to September 27, 2013 (Both days inclusive)

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

3. **Shareholding Pattern as on 31st March 2013**

Sr. No.	Category of Shareholder	Number of Shareholders	Total number of Shares	Percentage of Total Shareholding
1.	Shareholding of Promoter & Promoter Group			
	a) Indian	2	848930	35.99%
	b) Foreign	0	0	0
2.	Public Shareholding			
	a) Institutions	1	181818	7.71%
	b) Non Institutions	5	1328070	56.30%
3.	Shares held by Custodians and against which Depository Receipts have been issued	0	0	0
Total		8	2358818	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
Andhra Pradesh, 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), by its recent Circulars, 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 proposes to send the documents including Annual Report (from FY 2012-13 onwards) 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.

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, 2013, 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.

**For Ritesh R. Mahajan
Company Secretaries**

**Ritesh R. Mahajan
Proprietor**

**Membership No: 6318
C P No: 6901**

**Place: Pune
Date: May 16, 2013**

FINANCIAL STATEMENTS

AUDITOR'S REPORT

Auditors' Report to the Members of "OPAL LUXURY TIME PRODUCTS LIMITED"

I have audited the attached Balance Sheet of **OPAL LUXURY TIME PRODUCTS LIMITED** as at 31st March' 2013 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. My responsibility is to express an opinion on these financial statements based on my audit.

I have conducted my audit in accordance with auditing standards generally accepted in India. These Standards require that I 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 financial statement. I believe that my audit provides a reasonable basis for my opinion.

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, I enclose in the annexure my report on the matters specified in paragraph 4 & 5 of the said order to the extent applicable to the company.

Further to my comments in the Annexure referred to in paragraph 2 above, I report that:

- a) I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of my audit:
- b) In my opinion, proper books of Account as required by law have been kept by the Company so far as appears from my 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 my 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 except for:
 - a. Accounting of Bonus and Retirement benefits on accrual basis is based on actual benefits payable to the employees and not on actuarial valuation as required under Accounting Standard 15: Employee Benefits. However, the effect of same cannot be quantified.
- e) On the basis of written representation received from the directors, which have been taken on record by the Board of Directors, I report that none of the directors are disqualified as on 31st March, 2013 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 my opinion and to the best of my information and according to the explanation given to us, subject to my 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, 2013
 - 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 BHARAT J. RUGHANI
PROPRIETOR
M. NO. 040543

PLACE: PUNE
DATE: 16 MAY, 2013

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, 2013)

- i) a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) All the assets have not been physically verified by the management during the year but there is a regular program of verification which, in my 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.
- ii) a) The inventory has been physically verified during the year by the management. In my 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 maintain under section 301 of the Companies Act, 1956. In view of the same the question of the terms & conditions including rate of interest being prima facie prejudicial to the interest of the company does not arise.
- iv) In my 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) Accordingly to the information, explanations and representations made to us, I am 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.
- In my 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 my 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) As per information and explanation given to us, the company is not required to maintain cost accounts as prescribed by the Central Government u/s 209 (1) (d).
- ix) a) According to the information & explanation given to me, 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, Employees' State Insurance & Income Tax. There following undisputed dues were outstanding for a period exceeding six months as on 31st March, 2013 from the date they become payable:

Particulars	Amount Outstanding (In ₹)
Profession Tax	39,945

However, as on date, the company has paid the above mentioned dues.

b) According to the information & explanations given to me, there are no disputed dues of income tax, vat, wealth tax, service tax and customs duty.

- 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 my audit and in the immediately preceding financial year.
- xi) According to the information & explanation given to me, company has taken various facilities from their bankers for the purpose of its business. In my opinion the Company has not defaulted in repayment of dues to a financial institution or bank.
- xii) According to the information & explanation given to me, 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 Companies (Auditors Report) Order, 2003 is not applicable to the company.
- xiv) According to the information and explanation given to me, the company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provision of clause 4(xiv) of Companies (Auditors Report) Order, 2003 is not applicable to the company.
- xv) According to the information and explanation given to me, 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 me, the company has taken no term loan during the year.
- xvii) According to the information and explanation given to me and over all examination of the balance sheet of the company, I 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 me, the company has not made 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 me no debentures have been issued during the year.
- xx) During the year company had announced a public issue of 1000000 (Ten Lakhs) equity shares at a price band of ₹ 130-135 per share. The said issue was open for subscription from March 25, 2013 to March 28, 2013. However, the allotment of shares against the said issue was done on April 08, 2013.
- xxi) Based upon the audit procedure performed and information and explanation given to me, I report that no fraud on or by the company has been noticed or reported during the course of my audit.

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

CA BHARAT J. RUGHANI
PROPRIETOR
M. NO. 040543

PLACE: PUNE
DATE: 16 MAY, 2013

OPAL LUXURY TIME PRODUCTS LIMITED				
Balance Sheet as at 31 March, 2013				
(₹ in Lacs)				
Particulars	Note No.	As at 31 March, 2013	As at 31 March, 2012	
A EQUITY AND LIABILITIES				
1 Shareholders' funds				
(a) Share capital	1	235.88	217.70	
(b) Reserves and surplus	2	1,295.36	966.07	
2 Share application money pending allotment		17.55	-	
3 Non-current liabilities				
(a) Long-term borrowings	3	27.11	34.23	
(b) Deferred tax liabilities (net)		(1.67)	7.70	
(c) Long-term provisions	4	4.60	-	
4 Current liabilities				
(a) Short-term borrowings	5	804.73	894.52	
(b) Trade payables	6	179.10	125.76	
(c) Other current liabilities	7	182.86	104.54	
(d) Short-term provisions	8	62.47	56.57	
TOTAL		2,808.00	2,407.09	
B ASSETS				
1 Non-current assets				
(a) Fixed assets				
(i) Tangible assets	9.A	254.99	165.62	
(ii) Intangible assets	9.B	653.47	681.88	
(iii) Capital work-in-progress		188.00	30.01	
(b) Long-term loans and advances	10	159.57	99.39	
2 Current assets				
(a) Current investments	11	0.16	0.64	
(b) Inventories	12	613.96	481.62	
(c) Trade receivables	13	769.04	759.46	
(d) Cash and cash equivalents	14	75.88	98.38	
(e) Short-term loans and advances	15	92.92	90.08	
TOTAL		2,808.00	2,407.09	
3 See accompanying notes forming part of the financial statements	23			
In terms of our report attached		For and on behalf of the Board of Directors		
For M/s Bharat J. Rughani & Co.				
Chartered Accountants				
CA. Bharat Rughani		Pratibha Gujar	Sameer Gujar	Nikhil Deshpande
Proprietor		Director	Managing Director	Company Secretary
Membership No: 040543				
		Place : Pune		
		Date : May 16, 2013		

OPAL LUXURY TIME PRODUCTS LIMITED				
Statement of Profit and Loss for the year ended 31 March, 2013				(₹ in Lacs)
Particulars	Note No.	For the year ended 31 March, 2013	For the year ended 31 March, 2012	
A CONTINUING OPERATIONS				
1 Revenue from operations (gross)	16	2,269.13	1,721.53	
Less: Excise duty		-	-	
Revenue from operations (net)		2,269.13	1,721.53	
2 Other income	17	13.30	9.09	
3 Total revenue (1+2)		2,282.43	1,730.63	
4 Expenses				
(a) Cost of materials consumed	18.A	1,299.18	922.66	
(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	18.B	(58.25)	(91.85)	
(c) Employee benefits expense	19	197.78	169.49	
(d) Finance costs	20	165.30	171.69	
(e) Depreciation and amortization expense	21	52.42	12.85	
(f) Other expenses	22	313.78	254.81	
Total expenses		1,970.22	1,439.64	
5 Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)		312.21	290.98	
6 Exceptional items		-	-	
7 Profit / (Loss) before extraordinary items and tax (5 + 6)		312.21	290.98	
8 Extraordinary items		-	-	
9 Profit / (Loss) before tax (7 + 8)		312.21	290.98	
10 Tax expense:				
(a) Current tax expense for current year		62.47	56.57	
(b) (Less): MAT credit (where applicable)		(60.02)	(54.80)	
(c) Deferred tax liability		(9.37)	1.84	
(d) Tax for earlier year		-	2.83	
(e) MAT credit for earlier year		-	(2.88)	
11 Profit / (Loss) from operations (9 + 10)		319.14	287.42	
12.i Earnings per share				
(a) Basic		14.56	23.47	
(b) Diluted		14.56	23.47	
12.ii Earnings per share (excluding extraordinary items)				
(a) Basic		14.56	23.47	
(b) Diluted		14.56	23.47	
See accompanying notes forming part of the financial statements	23			
In terms of our report attached.				
For M/s Bharat J. Rughani & Co.		For and on behalf of the Board of Directors		
Chartered Accountants				
CA. Bharat Rughani	Pratibha Gujar	Sameer Gujar	Nikhil Deshpande	
Proprietor	Director	Managing Director	Company Secretary	
Membership No: 040543				
		Place : Pune		
		Date : May 16, 2013		

Note 1 Share capital					(₹ in Lacs)	
Particulars	As at 31 March, 2013		As at 31 March, 2012			
	Number of shares	₹	Number of shares	₹		
(a) Authorised						
Equity shares of ₹ 10/- each with voting rights	50.00	500.00	25.00	250.00		
(b) Issued						
Equity shares of ₹ 10/- each with voting rights	23.59	235.88	21.77	217.70		
(c) Subscribed and fully paid up						
Equity shares of ₹ 10/-each with voting rights	23.59	235.88	21.77	217.70		
Total	23.59	235.88	21.77	217.70		

Particulars	Opening Balance	Fresh issue	Closing Balance
Equity shares with voting rights			
Year ended 31 March, 2013			
- Number of shares	21.77	1.82	23.59
- Amount (₹)	217.70	18.18	235.88
Year ended 31 March, 2012			
- Number of shares	5.44	16.33	21.77
- Amount (₹)	54.44	163.26	217.70

Details of shares held by each shareholder holding more than 5% shares:				
Class of shares / Name of shareholder	As at 31 March, 2013		As at 31 March, 2012	
	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	47.07%	11.10	50.98%
Sameer Gujar	4.33	18.36%	4.33	19.90%
Pratibha Gujar	4.16	17.63%	4.16	19.10%
SIDBI Venture Capital Limited – India Opportunities Fund	1.82	7.71%	-	-

Particulars	Aggregate number of shares	
	As at 31 March, 2013	As at 31 March, 2012
Equity shares with voting rights		
Fully paid up by way of bonus shares	0.80	0.80

Note 2 Reserves and Surplus			(₹ in Lacs)	
Particulars	As at 31 March, 2013	As at 31 March, 2012		
Securities premium account				
Opening balance	205.56	90.02		
Add : Premium on shares issued during the year	181.82	115.54		
Less : Utilized during the year for:				
Share issue expenses	171.67	-		
Closing balance	215.70	205.56		
Surplus				
Opening balance	760.51	473.09		
Add: Profit / (Loss) for the year	319.14	287.42		
Closing balance	1,079.65	760.51		
Total	1,295.36	966.07		

Note 3 Long-term borrowings		(₹ in Lacs)
Particulars	As at 31 March, 2013	As at 31 March, 2012
(a) Term loans		
From banks		
Secured	-	-
Unsecured	27.11	24.03
From other parties		
Secured -(Moulds)	-	0.34
Unsecured	-	9.86
(b) Loans and advances from related parties		
Secured	-	-
Unsecured	-	-
Total	27.11	34.23

Note 4 Long-term Provisions		(₹ in Lacs)
Particulars	As at 31 March, 2013	As at 31 March, 2012
Provision for gratuity	4.60	-
Total	4.60	-

Note 5 Short-term borrowings		(₹ in Lacs)
Particulars	As at 31 March, 2013	As at 31 March, 2012
(a) Loans repayable on demand		
From banks		
Secured	804.73	794.34
Unsecured	-	-
(b) Loans and advances from other parties		
Secured	-	-
Unsecured	-	100.18
Total	804.73	894.52

* 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 31 March, 2013	As at 31 March, 2012
Trade payables	179.10	125.76
Total	179.10	125.76

Note 7 Other current liabilities		(₹ in Lacs)
Particulars	As at 31 March, 2013	As at 31 March, 2012
(i) Statutory remittances	37.42	38.20
(ii) Payables on purchase of fixed assets	4.42	7.58
(iii) Secured & Unsecured loans repayable within one year	35.98	58.76
(iv) Outstanding expenses (IPO)	105.04	-
Total	182.86	104.54

Note 8 Short - term Provisions		(₹ in Lacs)
Particulars	As at 31 March, 2013	As at 31 March, 2012
Provision for Tax	62.47	56.57
Total	62.47	56.57

Note 9: Fixed Assets (₹ in Lacs)										
Descriptions	Gross Block				Depreciation				Net Block	
	As At 01.04.2 012	Additi ons during the year	Deletio n	As At 31.03. 2013	As At 01.04. 2012	For the year	Deletio n	As At 31.03. 2013	As At 31.03.2 013	As At 31.03.2 012
9A. TANGIBLE ASSETS										
Plant & Equipment	86.93	93.53	-	180.46	7.21	13.43	-	20.64	159.81	79.72
Furniture & Fixtures	83.10	18.68	-	101.78	14.26	5.88	-	20.13	81.65	68.84
Office Equipments	0.52	-	-	0.52	0.10	0.05	-	0.15	0.37	0.42
Vehicle	28.27	1.16	-	29.43	11.62	4.65	-	16.27	13.16	16.64
TOTAL TANGIBLE ASSETS	198.82	113.37	-	312.19	33.20	24.01	-	57.21	254.99	165.62
PREVIOUS YEAR	130.14	68.68	-	198.82	20.35	12.85	-	33.20	165.62	109.79
9B. INTANGIBLE ASSETS										
Trademark/ Goodwill/ Trade names	681.88	-	-	681.88	-	28.41	-	28.41	653.47	681.88
TOTAL INTANGIBLE ASSETS	681.88	-	-	681.88	-	28.41	-	28.41	653.47	681.88
PREVIOUS YEAR	555.65	126.23	-	681.88	-	-	-	-	681.88	555.65
TOTAL FIXED ASSETS									908.46	847.50

Note 10 Long-term loans and advances (₹ in Lacs)		
Particulars	As at 31 March, 2013	As at 31 March, 2012
(a) Advance income tax	0.71	0.55
(b) MAT credit entitlement	158.86	98.84
Total	159.57	99.39

Note 11 Current investments (₹ in Lacs)						
Particulars	As at 31 March, 2013			As at 31 March, 2012		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
(a) Investment in debentures or bonds	0.16	-	0.16	0.15	-	0.15
(b) Other non-current investments	-	-	-	-	0.49	0.49
Total	0.16	-	0.16	0.15	0.49	0.64

Note 12 Inventories		(₹ in Lacs)
Particulars	As at 31 March, 2013	As at 31 March, 2012
Raw materials	280.01	195.82
Work-in-progress	56.84	41.88
Finished goods	220.95	177.67
Stores and spares	56.16	66.26
Total	613.96	481.62

Note 13 Trade receivables		(₹ in Lacs)
Particulars	As at 31 March, 2013	As at 31 March, 2012
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered good	61.35	87.47
Unsecured, not considered good	6.50	3.25
Other Trade receivables		
Unsecured, considered good	707.69	672.00
Less: Provisions made for doubtful debts	6.50	3.25
Total	769.04	759.46

Note 14 Cash and cash equivalents		(₹ in Lacs)
Particulars	As at 31 March, 2013	As at 31 March, 2012
(a) Cash on hand	0.03	0.67
(b) Balances with banks		
(i) In current accounts	18.72	2.51
(ii) In deposit accounts	57.13	45.20
(iii) Fixed deposit	-	50.00
Total	75.88	98.38

Note 15 Short-term loans and advances		(₹ in Lacs)
Particulars	As at 31 March, 2013	As at 31 March, 2012
(a) Other advances and deposits		
Secured, considered good	6.50	-
Unsecured, considered good	68.53	68.53
(b) Loans and advances to employees - Unsecured, considered good	0.59	2.15
(c) Prepaid expenses - Unsecured, considered good	9.12	0.50
(d) Balances with government authorities - Unsecured, considered good	2.54	0.86
(e) Advance for Expenses - Unsecured, considered good	5.64	18.04
Total	92.92	90.08

Note 16 Revenue from operations		(₹ in Lacs)
Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
Sale of products	2,418.94	1,815.23
Sale of services	4.70	4.59
Other operating revenues	1.52	1.43
Less:		
Duties & Taxes	156.02	99.71
Total	2,269.13	1,721.53

Note 17 Other income		(₹ in Lacs)
Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
Interest income	7.53	5.47
Dividend income	0.01	0.00
Other non-operating income	5.76	3.62
Total	13.30	9.09

Note 18.A Cost of materials consumed		(₹ in Lacs)
Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
Opening stock	262.08	273.32
Add: Purchases	1,373.28	911.41
Less: Closing stock	336.17	262.08
Cost of material consumed	1,299.18	922.66
Material consumed comprises: Clock Parts		
Total	1,299.18	922.66

Note 18.B Changes in inventories of finished goods, work-in-progress and stock-in-trade		(₹ in Lacs)
Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
<u>Inventories at the end of the year:</u>		
Finished goods	220.95	177.67
Work-in-progress	56.84	41.88
	277.79	219.54
<u>Inventories at the beginning of the year:</u>		
Finished goods	177.67	87.82
Work-in-progress	41.88	39.88
	219.54	127.70
Net (increase) / decrease	(58.25)	(91.85)

Note 19 Employee benefits expense		(₹ in Lacs)
Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
Salaries and wages	179.73	159.89
Contributions to provident and other funds	8.73	6.92
Staff welfare expenses	4.72	2.68
Gratuity Provision	4.60	-
Total	197.78	169.49

Note 20 Finance costs		(₹ in Lacs)
Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
(a) Interest expense on:		
(i) Borrowings	146.18	131.61
(ii) Others (Duties & Taxes with Interest)	17.40	13.39
(b) Other borrowing costs	5.10	9.18
(c) Net (gain) / loss on foreign currency transactions and translation	(3.38)	17.51
Total	165.30	171.69

Note 21 Depreciation and Amortisation Expenses		(₹ in Lacs)
Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
Depreciation and Amortisation for the year on tangible assets as per Note 9 A	24.01	12.85
Depreciation and Amortisation for the year on intangible assets as per Note 9 B	28.41	-
Depreciation and Amortisation	52.42	12.85

Note 22 Other expenses		(₹ in Lacs)
Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
Power and fuel	3.75	1.52
Rent including lease rentals	17.55	17.73
Repairs and maintenance	6.25	5.52
Insurance	10.84	1.26
Rates and taxes	8.81	16.60
Communication	4.75	3.33
Travelling and conveyance	4.24	6.92
Printing and stationery	0.77	1.00
Freight and forwarding	93.65	79.32
Sales commission	10.22	13.75
Sales discount	76.87	41.35
Business promotion	35.09	25.67
Legal and professional	3.46	3.60
Payments to auditors	1.25	1.00
Bad debts	4.40	-
Provision for doubtful trade and other receivables	3.25	3.25
Miscellaneous expenses	28.63	32.98
Total	313.78	254.81

Note 23 - 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. 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 Presentation and disclosure of financial statements

During the year ended March 31, 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the company, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

2.3 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.

2.4 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 customer. 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.

Other income

1. Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate.
2. Dividends are recorded when the right to receive is established.
3. Export benefits are accrued when it is reasonably certain that those will get realized.

2.5 Inventories

Inventories are valued at the lower of cost (on FIFO 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 are valued at lower of cost and net realizable value. Cost includes direct materials and Labour and a proportion of manufacturing overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

2.6 Cash and cash equivalents

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.

2.7 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.

2.8 Depreciation and amortization

Depreciation on tangible assets is provided on the straight line method, pro-rata to the period of use. The rates of depreciation prescribed in Schedule XIV to the Companies Act, 1956 have been adopted by the Company, which in view of the management reflect the useful lives of related fixed assets.

2.9 Tangible fixed assets

Fixed assets are carried at cost less accumulated depreciation. 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. 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.

Capital work-in-progress:

Assets which 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 and any directly attributable expenditure on making the asset ready for its intended use.

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. Revenue and expenses are translated at the actual 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.

2.12 Government grants, subsidies and export incentives

Export benefits are accounted for based on eligibility and when there is reasonable certainty of receiving the same.

2.13 Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

Current investments are carried individually, at the lower of cost and fair value. Cost of investments includes acquisition charges such as brokerage, fees and duties.

2.14 Leases

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.

2.15 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 upto the date of Capitalization of such asset is added to the cost of the assets.

2.16 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.

2.17 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.

2.18 Employee benefits

Employee benefits include Provident Fund

Defined contribution plans

The Company makes Provident Fund 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 ₹ 2.93 lacs (Year ended 31 March, 2012 ₹ 6.92 lacs) for Provident Fund contributions. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

The Company's contribution to provident fund is considered as defined contribution plan and is charged as an expense as it falls due based on the amount of contribution required to be made.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of such compensated absences is accounted as under:

(a) In case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

(b) In case of non-accumulating compensated absences, when the absences occur."

Long-term employee benefits

Gratuity

The company has gratuity as a defined benefit liability. The cost of providing benefits under this plan is determined on the basis of actual benefit payable to the employees under the Payment of Gratuity Act, 1972.

2.19 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) 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 are adjusted for the effects of all dilutive potential equity shares.

2.20 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.

2.21 Public Issue

The company had announced a public issue of 1000000 (Ten Lac) equity shares at an offer price of ₹ 130-135 aggregating to ₹ 13.00 Crore to ₹ 13.50 Crore, which was opened for subscription on March 25, 2013 to March 28, 2013.

Accordingly, the company had received application money pending allotment of ₹ 17.55 Lacs under the said issue as on March 31, 2013. The remaining amount received after March 31, 2013.

The company had allotted shares at a price of ₹ 130/- per share on April 08, 2013 against the application money.

2.22 Share Issue Expenses

The company has set of the public issue expenses aggregating to ₹ 171.67 Lacs against the securities premium account in accordance with the provisions of Section 78 of the Companies Act, 1956.

2.23 Previous Year figures regrouping / reclassification

The Revised Schedule VI has become effective from 01 April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

Other Notes – Disclosures under Accounting Standards

(₹ in Lacs)		
A.	Mar-13	Mar-12
1. Earnings in foreign currency:	-	-
2. Expenditure in Foreign Currency – Travelling	7.43	13.04

B. There is no contingent liability outstanding as on 31st March, 2013

C. Disclosure of transactions with related parties:**C. I) Related Parties –**

Description of relationship	Names of related parties	Transactions During the year
Major Shareholder	Innoventive Ventures Limited	No
Company in which KMP / Relatives of KMP can exercise significant influence	Opal Industries	No
Key Management Personnel (KMP)	Mr. Sameer Gujar	Yes
	Ms. Pratibha Gujar	No
Relatives of KMP	Mr. Subhash Gujar	No

C. II) Transactions with related parties**(₹ in Lacs)**

Particulars	Mar-13	Mar-12
Opal Industries - Payment towards Brand	-	126.23
Innoventive Venture Limited - Subscription to Shares	-	198.80

(₹ in Lacs)

D. Managerial remuneration -	Mar-13	Mar-12
Salary - Mr. Sameer Gujar	10.50	7.20
Salary - Ms. Pratibha Gujar	-	-

(₹ in Lacs)

E. Payments to Auditors:	Mar-13	Mar-12
Audit fees	1.25	0.70
Payment for IPO certification/ advisory	2.00	-
Tax audit fees	0.30	0.20
Audit Under MVAT Act	0.10	0.10
Reimbursement of expenses	-	-
Service tax	-	0.07

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

(₹ in Lacs)

G. Lease Rent Agreement-	Mar-13	Mar-12
Rent Debited to Profit & Loss A/c.	17.55	17.73
-Obligation		
a) Payable within 1 years (2013-14) ₹ 17.84 Lacs		
b) Payable within 3 years (2014-16) ₹ 58.30 Lacs		

(₹ in Lacs)		
H. Foreign Currency Transactions :	Mar-13	Mar-12
Net gain / (loss) on foreign currency transactions on revenue accounts recognised in the Profit and Loss Account	3.38	(17.51)

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

For and on behalf of the Board of Directors

CA. Bharat Rughani
Proprietor
Membership No: 040543

Pratibha Gujar
Director

Sameer Gujar
Managing Director

Nikhil Deshpande
Company Secretary

Place : Pune
Date : May 16, 2013

OPAL LUXURY TIME PRODUCTS LIMITED		
Cash Flow Statement for the year ended 31 March, 2013		(₹ in Lacs)
Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
A. Cash flow from operating activities		
Profit before tax	312.21	290.98
<u>Adjustments for:</u>		
Depreciation and Amortisation	52.42	12.85
Finance costs	165.30	171.69
Interest income	7.53	5.47
Dividend income	0.01	0.00
Gratuity provision	4.60	-
	214.79	179.06
Operating profit / (loss) before working capital changes	527.00	470.04
<u>Changes in working capital:</u>		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Inventories	(132.34)	(80.60)
Trade receivables	(9.57)	(75.90)
Short-term loans and advances	(2.84)	(56.22)
Long-term loans and advances	(60.18)	(58.23)
<i>Adjustments for increase / (decrease) in operating liabilities:</i>		
Trade payables	53.34	(58.93)
Other current liabilities	78.32	22.89
Short-term provisions	5.90	14.57
	(67.38)	(292.41)
Cash flow from extraordinary items	-	-
Cash generated from operations	459.62	177.63
Net income tax paid/(refunds)	2.44	1.73
Net cash flow from / (used in) operating activities (A)	457.18	175.91
B. Cash flow from investing activities		
Capital expenditure on fixed assets, including capital advances	(271.36)	(224.92)
Current investments not considered as Cash and cash equivalents	(0.48)	0.64
Interest received - Deposits with bank	7.53	5.47
Dividend received - Bonds	0.01	0.00
	263.35	220.09
Net income tax (paid) / refunds	-	-
Net cash flow from / (used in) investing activities (B)	(263.35)	(220.09)
C. Cash flow from financing activities		
Proceeds from issue of equity shares	200.00	278.80
Share premium utilized for IPO expenses	(171.67)	-
Share application money received / (refunded/used)	17.55	(98.80)
Repayment of long-term borrowings	(7.12)	(221.06)
Net increase / (decrease) in working capital borrowings	10.39	210.70
Proceeds from other short-term borrowings	(100.18)	100.18
Finance cost	(165.30)	(171.69)
Net cash flow from / (used in) financing activities (C)	(216.33)	98.13
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	(22.50)	53.95
Cash and cash equivalents at the beginning of the year	98.38	44.44

OPAL LUXURY TIME PRODUCTS LIMITED Cash Flow Statement for the year ended 31 March, 2013			(₹ in Lacs)
Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012	
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents	-	-	
Cash and cash equivalents at the end of the year	75.88	98.38	
Reconciliation of Cash and cash equivalents with the Balance Sheet:			
Cash and cash equivalents as per Balance Sheet	75.88	98.38	
Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements (give details)	-	-	
Net Cash and cash equivalents (as defined in AS 3 Cash Flow Statements) included in Note 19	75.88	98.38	
Add: Current investments considered as part of Cash and cash equivalents (as defined in AS 3 Cash Flow Statements) (Refer Note (ii) to Note 16 Current investments)	-	-	
Cash and cash equivalents at the end of the year *	75.88	98.38	
* Comprises:			
(a) Cash on hand	0.03	0.67	
(b) Balances with banks			
In current accounts	18.72	2.51	
In deposit accounts	57.13	95.20	
	75.88	98.38	
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. Bharat Rughani Proprietor Membership No: 040543	Pratibha Gujar Director	Sameer Gujar Managing Director	Nikhil Deshpande Company Secretary
		Place : Pune Date : May 16, 2013	

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[illegible]

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Attendance Slip

Opal Luxury Time Products Limited

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

Shareholders attending the Meeting in person or by Proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting hall.

I hereby record my presence at the 06TH ANNUAL GENERAL MEETING of the Company at 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 at 10:00 a.m. on Friday, September 27, 2013.

.....
Full name of the Shareholder

.....
Signature

Folio No...... **/DP ID No.***..... **& Client ID No.***.....

*Applicable for members holding shares in electronic form.

No. of Shares:

.....
Full name of Proxy
(In block capitals)

.....
Signature

NOTE: Shareholder/Proxy holder desiring to attend the meeting should bring his copy of the Annual Report for reference at the Meeting.



Proxy

I/We.....resident of
.....
..... being a Member/Members of the above named Company, hereby appoint
..... resident of..... or failing him
.....resident of.....
..... as my/our Proxy to attend and vote for me/us and on my/our behalf at the 06th ANNUAL
GENERAL MEETING of the Company, to be held on Friday, September 27, 2013 and at any adjournment thereof.

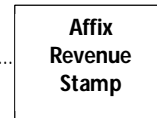
Signed this day of 2013.

Folio No...... /**DP ID No.** * & **Client ID No.** *

*Applicable for members holding shares in electronic form.

No. of shares:

Signature:



NOTES:

- (i) The proxy must be returned so as to reach the Registered Office of the Company, not less than FORTY-EIGHT HOURS before the time for holding the aforesaid meeting. (ii) Those members who have multiple folios with different joint holders may use copies of this Attendance Slip/Proxy.



BOOK - POST

TO,

If undelivered, please return to:
Opal Luxury Time Products Limited

Registered Office

Plot No. 31, 01st Floor, “Shree Ganesh”,
Shivaji Co-op Housing Society, Senapati Bapat Road,
Pune - 411016 Maharashtra, India