

**SAINT GOBAIN CERAMIC MATERIALS BHUTAN  
PRIVATE LIMITED**

**FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31<sup>ST</sup> DECEMBER, 2009**

# **Deloitte Haskins & Sells**

Chartered Accountants  
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## **AUDITORS' REPORT**

### **TO THE MEMBERS OF SAINT GOBAIN CERAMIC MATERIALS BHUTAN PRIVATE LIMITED. PASAKHA, BHUTAN**

1. We have audited the attached Balance Sheet of Saint Gobain Ceramic Materials Bhutan Private Limited as at 31<sup>st</sup> December 2009 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date both annexed thereto. These financial statements are the responsibility of the management of the Company. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with generally accepted auditing standards. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements. An audit includes determining 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 the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Minimum Audit Examination and Reporting Requirements under Schedule XIV of Section 75 of the Companies Act of the Kingdom of Bhutan, 2000 we enclose a statement on the matters specified therein to the extent applicable as an Annexure to our report.
4. Further to our comments in Annexure referred to in paragraph 3 above:
  - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.

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- b) In our opinion proper books of accounts as required by law have been kept by the company so far as appears from our examination of those books.
- c) The Balance Sheet, Profit and Loss Account and the Cash Flow Statement dealt with by this report have been prepared on the basis of generally accepted accounting principles and are in agreement with the books of accounts.
- d) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read in conjunction with the Significant Accounting Policies and Notes on Accounts at Schedule 14, give the information required by the generally accepted accounting standards and principles in the manner so required and give a true and fair view:
  - i. in case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> December 2009 :
  - ii. in the case of the Profit and Loss Account, of the loss for the year ended on that date; and
  - iii. in so far as it relates to the Cash Flow Statement, of the movement of cash of the Company for the year ended on that date.

For **Deloitte Haskins & Sells**  
*Chartered Accountants*  
(Registration No. 302009E)

  
**A. Bhattacharya**  
*Partner*  
M/No. 054110

Place: Pasakha, Bhutan  
Date: 23<sup>rd</sup> April, 2010



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## ANNEXURE TO AUDITOR'S REPORT REFERRED TO IN OUR REPORT OF EVEN DATE

1. The Company has maintained proper records to show full particulars including quantitative details and situation of its fixed assets. The fixed assets have been physically verified by the management during the period.
2. The fixed assets of the Company have not been revalued during the period.
3. Physical verification of finished goods, stores, spare parts and raw materials have been conducted at the end of the year.
4. The procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
5. No material discrepancies were noticed in the physical verification of stock.
6. The valuation of stock is fair and proper in accordance with normally accepted accounting principles. The basis of valuation is the same as in the preceding year.
7. We are given to understand that the Company has not taken nor granted any loans secured or unsecured from or to other companies, firms or other parties, and/or from or to the companies under the same Management.
8. Loans or advances granted to officers or staffs are generally in keeping with the provisions of service rule and no excessive or frequent advances are granted and accumulation of large advances against particular individual is generally avoided.
9. In our opinion and according to the information and explanations given to us during the course of the audit, the Company has established an adequate system of internal controls to ensure completeness, accuracy and reliability of accounting records, to carry out the business in an orderly and efficient manner, to safeguard the assets of the Company as well as to ensure adherence to the applicable rules/regulations and systems and procedures.



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There is a system of competitive biddings commensurate with the size of the Company and the nature of its business, for the purchase of capital goods and services.

11. Regarding transactions of purchase of goods and services and sales of goods made in pursuance of contracts or arrangement entered into with the company in which the directors are directly or indirectly interested, such transaction has been made at prices which are reasonable having regard to the prevailing market prices for such goods and services.  
The above transactions are not prejudicial to the interest of the Company.
12. If any unserviceable or damaged stores and raw material are determined, adjustments are made in the accounts.
13. There is a reasonable system of ascertaining and identifying point of occurrence of breakage/damages raw materials, packing materials and finished products i.e while in transit, so that responsibility could be fixed and compensation sought from those responsible.
14. The company is maintaining reasonable records for production of finished goods and adequate physical safeguards exist to prevent unauthorized or irregular movement of goods from the company.
15. The Company is generally regular in depositing rates and taxes, duties, and other statutory dues with the appropriate authority.
16. The undisputed outstanding amount payable in respect of contractor taxes, health tax, salary tax and provident fund at the period end were as follows:

Contractor Tax	Nu.253,696
Rent	Nu. 3,675
Health Tax	Nu. 7,017
Salary Tax	Nu. 43,233
Provident Fund	Nu.2248

17. According to the information and explanations given to us, no personal expenses of employees or directors have been charged to the Account other than those



