

**SAINT GOBAIN CERAMIC MATERIALS  
BHUTAN PRIVATE LIMITED  
PASAKHA BHUTAN**

**AUDITED FINANCIAL STATEMENTS  
AS AT 31<sup>ST</sup> DECEMBER 2012**

**RAY & RAY**  
Chartered Accountants

Kolkata Mumbai Delhi Bangalore Chennai Tirunelveli

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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 as at 31<sup>st</sup> December, 2012, the related Profit and Loss Account and also the Cash Flow Statement of Saint Gobain Ceramic Materials Bhutan Private Limited ('the Company') 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 the generally accepted auditing standards. Those 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, 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 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 Section 75 of the Companies Act of the Kingdom of Bhutan 2000 read with Section II of Schedule XIV thereto (The Minimum Audit Examination and Reporting Requirements) we enclose in the ANNEXURE a statement on the matters specified therein to the extent applicable.
4. Further to our comments in the ANNEXURE referred to in paragraph 3 above, we report that:-
  - i) Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of accounting records and such other auditing procedures as we considered necessary under the circumstances;

- ii) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- iii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- iv) The Balance Sheet, Profit & Loss Account and Cash Flow statement dealt with by this report have been prepared on the basis of generally accepted accounting principles and that the financial statements are in agreement with the books of account;
- v) In our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet, Profit & Loss Account and Cash Flow statement together with Schedules, Significant Accounting Policies and Notes to Accounts dealt with by this report give the information required by the Companies Act of the Kingdom of Bhutan, 2000 in the manner so required and the said accounts give a true and fair view:-
  - a. in the case of Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> December, 2012;
  - b. in the case of Profit & Loss Account, of the loss of the Company for the year ended on that date and;
  - c. in the case of Cash Flow statement, of the movement of the cash during the year ended on that date;

**For RAY & RAY**  
**Chartered Accountants**  
**Firm Registration no. 301072E**



**K. K. Ghosh**  
Partner  
Membership No. 59781

Place: Kolkata  
Date: **15 MAR 2013**

**SAINT GOBAIN CERAMIC MATERIALS BHUTAN PRIVATE LIMITED.**

**MINIMUM AUDIT EXAMINATION AND REPORTING  
REQUIREMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2012**

**ANNEXURE REFERRED TO OUR REPORT OF EVEN DATE  
(TO THE EXTENT APPLICABLE)**

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 as certified 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 and certified by the management.
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 any loans secured or unsecured from or to other companies, firms or other parties, and/or from the companies under the same Management.
8. We are given to understand that the Company has not granted any loans secured or unsecured to other companies, firms or other parties, and/or to the companies under the same Management.
9. The parties to whom the interest-free advances have been given are for procuring of raw materials or spares, it is being ensured by the company that the materials received against the said advance or advance are subsequently adjusted while releasing the balance payment after receipt of materials and if not, reasonable steps have been taken by company for recovery of the advance amount.
10. Loans or advances granted to officers or staffs are generally in keeping with the provisions of service rules and no excessive or frequent advances are granted and

