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Independent Auditor's Report

TO

THE MEMBERS OF

M/S. SWATI PROJECTS LIMITED.

1. **Report on the Financial Statements:**

We have audited the accompanying financial statements of M/S. SWATI PROJECTS LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss, Cash Flow Statement, a summary of significant accounting policies and other explanatory information.

2. **Management's Responsibility for the Financial Statements:**

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

3. **Auditor's Responsibility:**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design and perform procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



4. **Opinion:**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

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

5. **Report on Other Legal and Regulatory Requirements:**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a). We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b). In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c). The Balance Sheet and Statement of Profit and Loss dealt with by this Report are in agreement with the books of account;
 - d). In our opinion, the Balance Sheet and Statement of Profit and Loss comply with the Accounting Standards referred to in sub section (3C) of section 211 of the Companies Act, 1956;
and
 - e). On the basis of written representations received from the directors as on 31st March, 2013 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.



For N K Jain & Co
Chartered Accountants
(Firm Registration No.3040781)

Nirmal Kumar J.,
(Proprietor)
(Membership No.005976)

Place : Kolkata

Date : The 30th day of August, 2013

Annexure referred to in paragraph 5 of our report of even date

- (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets. The fixed assets of the company were physically verified by the Management at reasonable intervals during the year and no discrepancies between the book record and physical inventory have been noticed.
- (b) In our opinion and according to information and explanations given to us there is an adequate internal control procedure commensurate with the size of the Company and the nature of its business for the purchase of goods and assets and for sale of goods and services.
- (c) As explained to us, the Company has not accepted deposits from the public within the meaning of Section 58A, 58AA or any other relevant provisions of the Companies Act, 1956.
- (d) According to the information and explanations given to us the Company has granted loans to parties listed in the register maintained u/s.301 of the Companies Act, 1956 and the terms and conditions of such loans are prima facie not prejudicial to the interest of the Company. Such loan is to three parties and amount involved is Rs.15,35,346 -.
- (e) As explained to us, the Company did not have internal audit system during the year.
- (f) There are no undisputed amounts payable in respect to Income-Tax, Wealth-Tax, Sales Tax and Service Tax which were outstanding as at 31st March, 2013 for a period of more than six months from the date they became payable. Income-tax demand of Rs.83,43,363/- for Asst. Year- 1984-85 to 1987-88 is being disputed by the Company and the Appeals are pending before the Commissioner of Income Tax (Appeal).
- (g) The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (h) No fraud on or by the company has been noticed or reported during the year.
- (i) The company has not given any guarantee for loans taken by others from bank or Financial Institution.
- (j) No other provision of the said order is applicable to the company for the year under report.

For N K Jain & Co
Chartered Accountants
(Firm Registration No.304078E)



Nirmal Kumar Jain
(Proprietor)
(Membership No.005976)

Place : Kolkata

Date : The 30th day of August, 2013

SWATI PROJECTS LIMITED

BALANCE SHEET AS on 31st MARCH 2013

Particulars	Note No.	As at 31.03.2013	As at 31.03.2012
<u>EQUITY AND LIABILITIES</u>			
Shareholder's Funds			
Share Capital	1	10,000,000	10,000,000
Reserves and Surplus	2	2,302,847	1,575,111
Non-Current Liabilities			
Long Term Borrowings	3	4,511	4,511
Deferred Tax Liabilities (Net)	4	1,438	1,551
Current Liabilities			
Other Current Liabilities	5	26,555	22,520
Short-Term Provisions	6	333,536	302,650
TOTAL		12,668,874	11,906,444
<u>ASSETS</u>			
Non-Current Assets			
Tangible Fixed Assets	7	8,091	9,425
Non-current investments	8	88,027	88,027
Long Term loans & Advances	9	11,634,192	10,881,684
Current Assets			
Cash and cash equivalents	10	45,461	43,880
Short-term loans and advances	11	893,103	883,428
TOTAL		12,668,874	11,906,444

Significant Accounting Policies &
Notes on Accounts - Notes 1 to 14

AUDITOR'S REPORT

As per our report of even date annexed hereto

For N. K. JAIN & CO.
Chartered Accountants
(Firm Regn. No. 304078E)

(Signature)
Proprietor

(Signature)
Sanjay Shekhar
11/03/2013

2, J. L. Nehru Road
Kolkata - 700 013



SWATI PROJECTS LIMITED

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH, 2013

Particulars	Note No.	As at 31.03.2013	As at 31.03.2012
INCOME			
Revenue from operations	12	1,125,565	1,028,821
Total Revenue		1,125,565	1,028,821
EXPENDITURE			
Depreciation	7	1,334	1,557
Other Expenses	13	71,396	47,816
Total Expenses		72,730	49,373
Profit before Tax		1,052,835	979,448
Tax expense:			
Current Tax		325,326	302,050
Deferred Tax Assets		126	147
PROFIT FOR THE YEAR AFTER TAXATION		727,635	676,945
Earning per equity share of face value of Rs.10 each Basic & Diluted		0.73	0.68

Significant Accounting Policies &
Notes on Accounts - Notes 1 to 14

AUDITOR'S REPORT

As per our report of even date annexed hereto

For N. K. JAIN & CO.
Chartered Accountants
(Firm Regn. No. 244078E)

N. K. Jain
Proprietor

Sunjay Venkatesh
Kailash Chandra

2, J. L. Nehru Road
Kolkata - 700 013

The 30th Day of *Aug* 2013



DIRECTORS

SWATI PROJECTS LIMITED

Notes on Accounts for the year ended 31st March, 2013

Note 1: SHARE CAPITAL

Sr. No	Particulars	As at 31.03.2013	As at 31.03.2012
1	AUTHORIZED CAPITAL 10,00,000 Equity Shares of Rs. 10/- each.	10,000,000	10,000,000
		10,000,000	10,000,000
2	ISSUED, SUBSCRIBED & PAID UP CAPITAL 10,00,000 Equity Shares of Rs. 10/- each. Fully Paid up in cash	10,000,000	10,000,000
	TOTAL	10,000,000	10,000,000

a. Terms / Rights attached with Equity Shares

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

b. The details of Shareholders holding more than 5 % Shares

		As at 31.03.2013		As at 31.03.2012	
		No. of Shares	% held	No. of Shares	% held
Promoter's Holding					
	Vinal Investment Limited	98,800	9.88%	98,800	9.88%
	Sudha Daga	391,750	39.18%	391,750	39.18%
	Vatsala Daga	242,800	24.80%	242,800	24.80%

Note 2: RESERVE & SURPLUS

Sr. No	Particulars	As at 31.03.2013	As at 31.03.2012
1	PROFIT & LOSS ACCOUNT		
	Balance as per last Balance Sheet	1,260,754	719,160
	Add: Profit for the year	727,635	676,940
	Less: Appropriations		
	Transfer to Special Reserve	145,527	(35,900)
		1,842,862	1,260,100
2	SPECIAL RESERVE	459,985	314,450
	TOTAL	2,302,847	1,575,210



Sudha Daga

SWATI PROJECTS LIMITED

Notes on Accounts for the year ended 31st March, 2013

Note 3 : Long Term Borrowings

Sr. No	Particulars	As at 31.03.2013	As at 31.03.2012
	<u>UNSECURED LOAN</u>		
	Baynee Project Limited	4,500	4,500
	TOTAL	4,500	4,500

Note 4 : Deferred Tax Liability (Net)

Sr. No	Particulars	As at 31.03.2013	As at 31.03.2012
	<u>Deferred Tax Liability</u>	1,562	1,562
	Less : Deferred Tax Asset	126	126
	TOTAL	1,436	1,562

Note 5 : Other Current Liability

Sr.	Particulars	As at 31.03.2013	As at 31.03.2012
	Sundry Creditors for Expenses	26,555	22,520
	TOTAL	26,555	22,520

Note 6 : Short Term Provisions

Sr. No	Particulars	As at 31.03.2013	As at 31.03.2012
	<u>Provision for Income Tax</u>		
	Provision for Income Tax (Current)	333,536	302,650
	TOTAL	333,536	302,650

SWATI PROJECTS LIMITED

Note 7 : Fixed Assets

Particulars	Rate	Gross Block				Depreciaton			Net Block	
		As on 01.04.2012	Addition during the year	Deduction during the year	As on 31.03.2013	As on 01.04.2012	Addition during the year	As on 31.03.2013	As on 31.03.2013	As on .
<u>Tangible Assets</u>										
Air Conditioner	13.91%	10,339	-	-	10,339	1,438	1,237	2,675	7,664	
Furniture & Fixture	18.10%	613	-	-	613	111	91	202	411	
Scooter	26.0%	30	-	-	30	8	6	14	16	
TOTAL		10,982	-	-	10,982	1,557	1,334	2,891	8,091	
<u>Intangible Assets</u>										
TOTAL										
Total [A + B]		10,982	-	-	10,982	1,557	1,334	2,891	8,091	
Previous Year		10,982	-	-	10,982	-	1,557	1,557	9,425	



Suday Sharma
Kailash Chowdhury

SWATI PROJECTS LIMITED

Notes on Accounts for the year ended 31st March,2013

Note 8 : Non Current Investment

Particulars	As at 31.03.2013	As at 31.03.2012
Quoted		
100 Equity Shares of M/s. Hindustan Motors Ltd. @ 10 each	2,200	2,200
100 Equity Shares of M/s. Hindustan Motors Ltd. @ 10 each	1,500	1,500
Unquoted:		
1,000 Equity Shares of M/s. Bihar Sponge Iron Ltd. @ 10 each	21,800	21,800
1,00,000 Equity Shares of M/s. Neptune Paper Mills Ltd. @ 10/-	527	527
20,000 Equity Shares of Baynee Engg. Ltd @ 10/- each	62,000	62,000
TOTAL	88,027	88,027
Market Value of Quoted Investment	1,740	4,300

Note 9 :Long Term Loans & Advances

Sr. No	Particulars	As at 31.03.2013	As at 31.03.2012
1	Baynee Project Limited	1,410,000	1,410,000
2	Daga Co., Amritsar	10,098,846	9,457,028
3	Vinal Investment Ltd.	105,346	98,000
4	Baynee Engg. Ltd	20,000	20,000
TOTAL		11,634,192	10,881,684

Note 10 : Cash & Cash equivalents

Sr. No	Particulars	As at 31.03.2013	As at 31.03.2012
1	Cash-in-Hand Cash Balance	4,652	4,652
2	With Scheduled Banks in Current Account	40,809	39,228
TOTAL		45,461	43,880

SWATI PROJECTS LIMITED

Notes on Accounts for the year ended 31st March,2013

Note 11 : Short Terms Loans and Advances

Sr. No	Particulars	As at 31.03.2013	As at 31.03.2012
	Others :Unsecured & Considered Good		
	TDS	621,218	621,218
	Deposit	1,000	1,000
	Income Tax	8,328	8,328
	Advance Income Tax	150,000	150,000
	TDS	112,557	102,882
	TOTAL	893,103	883,428



Sd/-
Kailash Chandra

SWATI PROJECTS LIMITED

Notes on Accounts for the year ended 31st March, 2013

Note 12 : Revenue from Operations

Sr. No	Particulars	As at 31.03.2012	As at 31.03.2011
1	Interest Received	1,125,565	1,028,821
TOTAL		1,125,565	1,028,821

Note 13 : Other Expenses

Sr. No	Particulars	As at 31.03.2013	As at 31.03.2012
1	Audit Fees	4,495	4,495
2	Bank Charges	685	1,103
3	Director Fees	-	1,400
4	Filing Fees	3,560	
5	Listing Fees	6,850	
6	Office Expenses	7,860	5,096
7	Professional Tax	2,500	
8	Legal & Professional Charges	45,446	35,722
TOTAL		71,396	47,816



Sandip Sharma
10/2/2013 11:20 AM

SWATI PROJECTS LIMITED
KOLKATA

NOTE - 14

ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS ON 31ST MARCH 2013.

A) SIGNIFICANT ACCOUNTING POLICIES.

- i) Accounting Policies
The Company follows the mercantile system of Accounting and Recognized Income & Expenditure on accrual basis.
- ii) Fixed Assets
Fixed assets are stated at cost less depreciation.
- iii) Depreciation
Depreciation on Fixed assets is provided in accordance with Section 205 (2) (a) of the Companies Act, 1956 on the basis of written down value at the rates specified in Schedule XIV of the Companies Act, 1956.
- iv) Revenue Recognition
Income from investments & other sources are accounted on accrual basis.
- v) Investments
Investments are stated at cost. All investments are long-term investments. The value of some of them has been eroded due to Market conditions for which no provision has been made in the book of account.
- vi) Contingent Liabilities
There are no so-called contingent liabilities.
- vii) Foreign Currency Transactions
Company has not made during the current financial year any foreign currency transactions.

Sanjay Saha
Kolkata



	2012-13	2011-12
1. No. of employees whom were in receipt of or entitled to remuneration aggregating to Rs. 60,00,000/- or more per annum or not less than Rs. 5,00,000/- per month where employed for part of the year.	Nil	Nil

2. Related Party Disclosures

A. Name of the related party and nature of relationship where Control exists:

a) Mr. Shreegopal Daga and his family (the controlling persons) control Swati Project Ltd. (SPL) by virtue of their shareholdings together with the shareholdings of enterprises named in para 2(B) below which are also under the control of the controlling persons.

b) Nil Subsidiary Company

B. Name of the enterprises which are under the control of the controlling Persons:-

- Vinal Investments Limited
- Daga Co.
- Santram Shiwramdas
- SRD & Co.

C. The following transactions were carried out during the year with the related parties in ordinary course of business.

	<u>Controlling Persons</u>	<u>Subsidiary Co.</u>	<u>Other related Parties</u>
1) Loan Given	-	-	15,35,340
2) Loan Accepted	-	-	Nil
Loan Repaid	-	-	-
3) Interest paid	-	-	Nil
4) Interest received	-	-	11,25,565
from:-			
1) Daga Co.			
2) Vinal Investment Ltd.			

Sir Day Shankar
Kishor Chandra



3. Deferred Tax Liabilities as per AS -22 has been determined as under:-

Deferred Tax Liabilities for the current year.

Depreciation as per I. T.	925
Depreciation as per books	1334
	409
Deferred Tax Assets	126

4. Claims against the Company not acknowledged as debts and not provided for Demands of Income Tax for Assessment Year 1984-85 to Assessment Year 1987-88, as appears against the assessment orders are pending Rs. 83,43,363 - before the Commissioner of Income Tax (Appeals).

5. Particulars as per NBFC Directions (as required) in terms of paragraph 9BB of Non - Bank Financial Companies Prudential Norm (Reserve Bank) Direction's 1988.

PARTICULARS

Rs. (In Thousand)

LIABILITY SIDE

I. Loan and advances availed by the NBFC's inclusive of interest accrued thereon but not paid.	Amount Outstanding	Amount Overdue
--	--------------------	----------------

(a) Debentures: Secured	-	-
Unsecured	-	-
(Other than falling within the meaning of public deposit)	-	-
(b) Deferred Credits	-	-
(c) Terms Loans	-	-
(d) Intercorporate Loan and borrowings	-	-
(e) Commercial Papers	-	-
(f) Public Deposits	-	-
(g) Other Loans (specify nature) (i) Cash Credit	-	-
(ii) Unsecured Loan	4.5	-
II. Break - up (I) (f) above (Outstanding Public Deposits inclusive of interest accrued thereon but not paid.	-	-

Sd/-
(Signature)



ASSETS SIDE

III. Break – up of Loans and advances including Amount Outstanding
Bill receivables (Other than those included): -

(a) Secured -
(b) Unsecured 11634

IV. Break – up of leased Assets and Stock on hire
and hypothecation loans counting towards
EL/HP activities.

V. Break – up of Investments:

a. Current Investments: -

1. Quoted

(i) Shares: (a) Equity -
(b) Preference -
(ii) Debentures and Bonds -
(iii) Units of Mutual Funds -
(iv) Government Securities -
(v) Others (Please specify) -

2. Unquoted

(i) Shares: (a) Equity -
(b) Preference -
(ii) Debentures and Bonds -
(iii) Units of Mutual Funds -
(iv) Government Securities -

b. Long Term Investments: -

1. Quoted

(i) Shares: (a) Equity 4
(b) Preference -
(ii) Debentures and Bonds -
(iii) Units of Mutual Funds -
(iv) Government Securities -
(v) Others (Please Specify) -

Sri Jay Sharan
Kumar Chauhan

2. Unquoted

(i) Shares: (a) Equity	84
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of Mutual Funds	-
(iv) Government Securities	-
(v) Other (Please Specify)	-

i) Borrower group – wise classification of Leased Assets, Stock – on – Hire and Loans and Advances.

Amount net of provision

<u>Category</u>	<u>Secured</u>	<u>Unsecured</u>	<u>Total</u>
1) <u>Related Parties</u>			
a) Subsidiaries	-	-	-
b) Companies in the same group	-	-	-
c) Other related parties	-	1535	1535
2) Other than Related Parties	-	10099	10099

ii) Investor group with classification of all Investments (Current and Long Terms) in Shares and Securities (both quoted and unquoted)

<u>Category</u>	<u>Market value Break Up or Fair value or NAV</u>	<u>Book value (Net of Provision)</u>
1) <u>Related Parties</u>		
a) Subsidiaries	-	-
b) Companies in the same group	-	-
c) Other Related Parties	-	62
2) Other than Related Parties	1.7	26

iii) Other Information

.....
There are no Non – Performing Assets and no Assets have been acquired in satisfaction of debt.

Sudhakar
12.12.2018



6. Earning per Share AS - 20

No. of Equity Shares	10,00,000
Nominal value per Equity Share (Rs.)	10
Earning after Taxes	7,27,635
FPS (Rs.)	0.73

7. Figures for the previous year have been regrouped - arranged wherever necessary.

For N. K. JAIN & CO
Chartered Accountants
(Firm Regn. No. 304078E)

[Signature]
Proprietor

Semraj Sharma
12 Anand Chandra

2, I. I. Nehru Road,
Kolkata - 700 013.

The *10th* day of *Aug*, 2013.



SWATI PROJECTS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2013

Particulars	As at 31.03.2013	As at 31.03.2012
A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax & Extraordinary items	1 052 835	979 448
Adjustments For:-		
Depreciation	1 334	1 557
Interest Income	(1,125 565)	(1 028,821)
Operating Profit before Working Capital Changes	(71,396)	(47,816)
Adjustments For:-		
Changes in Receivables	(9,675)	(49 491)
Changes in Payables	4,035	3,049
Cash Generated from Operations	(77,036)	(94,258)
Less : Tax Paid	294 440	203 591
Net Cash from Operating Activities	(371,476)	(297,649)
B) CASH FLOW FROM INVESTING ACTIVITIES		
Sale of Investment	-	100 000
Proceeds Long Term Borrowings	-	111 443
Long Term Given	(752 508)	(316 424)
Interest Received	1,125 565	1 028 821
Net Cash from Investing Activities	373,057	300,954
C) CASH FLOW FROM FINANCING ACTIVITIES		
Net Cash from Financing Activities	0	0
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALANTS (A+B+C)	1,581	3,305
Cash & Cash Equivalants at the beginning of the year	43,880	40,575
Cash & Cash Equivalants at the end of the year	45,461	43,880
Cash & Cash Equivalants include:		
Cash in Hand	4 652	4 652
With Scheduled Banks in - Current Accounts	40 809	39 228
	45,461	43,880

As per our Report of even date annexed herto

For **N. K. JAIN & CO.**
Chartered Accountants
(Firm Regn No. 10000700)

2, J. L. Nehru Road,
Kolkata - 700 013

The _____ day of _____ 2013.



Proprietor

Smita Jaiswal
12 March 2013

Director

SWATI PROJECTS LIMITED

DEPRECIATION AS PER INCOME TAX 1961

	Rate	01.04.2012	Addition		Total	Depreciation	31.03.2013
			more > 180 Days	more < 180 Days			
Air Conditioner	15%	5,383	-	-	5,383	807	4,576
Furniture & Fixture	10%	1,086	-	-	1,086	109	977
Scooter	15%	60	-	-	60	9	51
TOTAL		6,529	-	-	6,529	925	5,604

Suday Sharma
Kalau Choudhary



SWATI PROJECTS LIMITED

Computation of Deferred Tax Liability

Depreciation as per Companies Act (Books)	1,334
Depreciation as per Income Tax Act	925
Timing Difference	409
Tax on Timing Difference @ 30%	123
FC & SHEC @ 3%	4
	126
Opening Deferred Tax Liability	1,562
Less : Diferred Tax Assets	126
Deferred Tax Liability as on 31.03.2012	1,436

Sunday Sharma
12/03/2012

