

**AUDITED ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2014**

OF

M/s. SWATI PROJECTS LIMITED

**MAHNA SINGH ROAD
AMRITSAR-143006**

**N K Jain & Co
Chartered Accountants
2, Jawaharlal Nehru Road
Kolkata - 700 013**

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, 2014, 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 audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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, 2014;
- (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, 2014 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014 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.304078E)



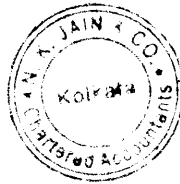
Nirmal Kumar Jain
(Proprietor)
(Membership No.005976)

Place : Kolkata

Date : The 31st day of May, 2014

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.15,31,945/-.
- (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, 2014 for a period of more than six months from the date they became payable. Income-tax demand of Rs.83,43,363/- for Asst. Years 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 31st day of May, 2014

SWATI PROJECTS LIMITED

BALANCE SHEET AS ON 31st MARCH 2014

Particulars	Note No.	As at 31.03.2014	As at 31.03.2013
<u>EQUITY AND LIABILITIES</u>			
Shareholder's Funds			
Share Capital	1	10,000,000	10,000,000
Reserves and Surplus	2	2,965,755	2,302,847
Non-Current Liabilities			
Long Term Borrowings	3	4,500	4,500
Deferred Tax Liabilities (Net)	4	1,327	1,436
Current Liabilities			
Other Current Liabilities	5	4,495	26,555
Short-Term Provisions	6	298,752	333,536
TOTAL		13,274,829	12,668,874
<u>ASSETS</u>			
Non-Current Assets			
Tangible Fixed Assets	7	6,947	8,091
Non-current investments	8	88,027	88,027
Long Term loans & Advances	9	12,243,628	11,634,192
Current Assets			
Cash and cash equivalents	10	35,632	45,461
Short-term loans and advances	11	900,595	893,103
TOTAL		13,274,829	12,668,874

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)



Proprietor

(Handwritten Signature)
DIRECTORS

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

The 31st Day of March, 2014

DIRECTORS

SWATI PROJECTS LIMITED

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH, 2014

Particulars	Note No.	As at 31.03.2014	As at 31.03.2013
INCOME			
Revenue from operations	12	1,200,485	1,125,565
Total Revenue		1,200,485	1,125,565
EXPENDITURE			
Depreciation	7	1,144	1,334
Other Expenses	13	232,859	71,396
Total Expenses		234,003	72,730
Profit before Tax		966,482	1,052,835
Tax expense:			
Tax - Current Year		298,752	325,326
- Earlier Year		4,931	-
Deferred Tax		109	126
PROFIT FOR THE YEAR AFTER TAXATION		662,908	727,635
Earning per equity share of face value of Rs.10 each Basic & Diluted		0.66	0.73

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)

Proprietor



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

The Day of 2014

M. J. J.
DIRECTORS

SWATI PROJECTS LIMITED

Notes on Accounts for the year ended 31st March, 2014

Note 1: SHARE CAPITAL

Sr. No	Particulars	As at 31.03.2014	As at 31.03.2013
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

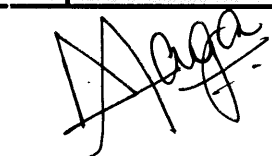
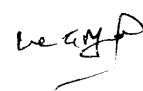
The Company has only one class of Equity Shares having a par value of Rs. 10/- per share. Each holder of Equity Shares is entitled to one vote per share.

b. The details of Shareholders holding more than 5 % Shares	As at 31.03.2014		As at 31.03.2013	
Promoter's Holding	No. of Shares	% held	No. of Shares	% held
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 31.03.2014	As at 31.03.2013
1	PROFIT & LOSS ACCOUNT		
	Balance as per last Balance Sheet	1,842,862	1,260,754
	Add: Profit for the year	662,908	727,635
	Less: Appropriations		
	Transfer to Special Reserve	132,582	145,527
		2,373,188	1,842,862
2	SPECIAL RESERVE	592,567	459,985
TOTAL		2,965,755	2,302,847



SWATI PROJECTS LIMITED

Notes on Accounts for the year ended 31st March,2014

Note 3 :Long Term Borrowings

Sr. No	Particulars	As at 31.03.2014	As at 31.03.2013
	<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 31.03.2014	As at 31.03.2013
	<u>Deferrred Tax Liability</u>	1,436	1,562
	Less : Deferred Tax Asset	109	126
	TOTAL	1,327	1,436

Note 5 :Other Current Liability

Sr.	Particulars	As at 31.03.2014	As at 31.03.2013
	Sundry Creditors for Expenses	4,495	26,555
	TOTAL	4,495	26,555

Note 6 : Short Term Provisions

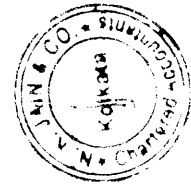
Sr. No	Particulars	As at 31.03.2014	As at 31.03.2013
1	<u>Provision for Income Tax</u>		
	Provision for Income Tax (Current)	298,752	333,536
	TOTAL	298,752	333,536



SWATI PROJECTS LIMITED

Note 7: Fixed Assets

Particulars	Rate	Gross Block				Depreciation			Net Block	
		As on 01.04.2013	Addition during the year	Deduction during the year	As on 31.03.2014	As on 01.04.2013	Addition during the year	As on 31.03.2014	As on 31.03.2014	As on 31.03.2013
<u>Tangible Assets</u>										
Air Conditioner	13.91%	10,339	-	-	10,339	2,675	1,066	3,741	6,598	7,664
Furniture & Fixture	18.10%	613	-	-	613	202	74	276	337	411
Scooter	26.6%	30	-	-	30	14	4	18	12	16
TOTAL		10,982	-	-	10,982	2,891	1,144	4,035	6,947	8,091
<u>Intangible Assets</u>										
TOTAL		-	-	-	-	-	-	-	-	-
Total [A + B]		10,982	-	-	10,982	2,891	1,144	4,035	6,947	8,091
Previous Year		10,982	-	-	10,982	1,557	1,334	2,891	8,091	9,425






SWATI PROJECTS LIMITED

Notes on Accounts for the year ended 31st March,2014

Note 8 : Non Current Investment

Particulars	As at 31.03.2014	As at 31.03.2013
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	1,740

Note 9 :Long Term Loans & Advances

Sr. No	Particulars	As at 31.03.2014	As at 31.03.2013
1	Baynee Project Limited	1,410,000	1,410,000
2	Daga Co., Amritsar	10,711,683	10,098,846
3	Vinal Investment Ltd.	101,945	105,346
4	Baynee Engg. Ltd	20,000	20,000
TOTAL		12,243,628	11,634,192

Note 10 : Cash & Cash equivalents

Sr. No	Particulars	As at 31.03.2014	As at 31.03.2013
1	Cash-in-Hand Cash Balance	4,522	4,652
2	With Scheduled Banks in Current Account	31,110	40,809
TOTAL		35,632	45,461



Daga *newsp*

SWATI PROJECTS LIMITED

Notes on Accounts for the year ended 31st March,2014

Note 11 : Short Terms Loans and Advances

Sr. No	Particulars	As at 31.03.2014	As at 31.03.2013
	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 from us	120,049	112,557
	TOTAL	900,595	893,103



[Handwritten signature]

[Handwritten signature]

SWATI PROJECTS LIMITED

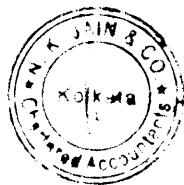
Notes on Accounts for the year ended 31st March,2014

Note 12 : Revenue from Operations

Sr. No	Particulars	As at 31.03.2014	As at 31.03.2013
1	Interest Received	1,200,485	1,125,565
TOTAL		1,200,485	1,125,565

Note 13 : Other Expenses

Sr. No	Particulars	As at 31.03.2014	As at 31.03.2013
1	Audit Fees	4,495	4,495
2	Bank Charges	696	685
3	Filing Fees	6,589	3,560
4	Listing Fees	3,750	6,850
5	Office Expenses	139,326	7,860
6	Professional Tax	2,525	2,500
7	Legal & Professional Charges	57,127	45,446
8	Printing & Stationery	850	-
9	Travelling Expenses	17,501	-
TOTAL		232,859	71,396



(Handwritten signature)
(Handwritten name)

SWATI PROJECTS LIMITED
KOLKATA

NOTE – 14

ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS ON 31st MARCH 2014.

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.



	2013-14	2012-13
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:-

- a) Vinal Investments Limited
- b) Daga Co.
- c) Santram Shiwramdas
- d) 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	-	-	13,15,485
2) Loan Accepted	-	-	Nil
Loan Repaid	-	-	7,06,049
3) Interest paid	-	-	Nil
4) Interest received	-	-	12,00,485

from:-

- 1) Daga Co.
- 2) Vinal Investment Ltd.



[Handwritten signature]

[Handwritten signature]