

SWASTIK LAND DEVELOPERS LIMITED

DIRECTORS' REPORT

Your Directors are pleased to present the Eighth Annual Report and the Audited Accounts for the year ended 31st March, 2014.

FINANCIAL RESULTS:

Particulars	Amount in Rs.	
	Year Ended 31-03-2014	Year Ended 31-03-2013
Total Income	1,690	-
Total Expenditure including Depreciation	31,271	2,55,578
Loss before tax	(29,581)	(2,55,578)
Less: Provision for tax	Nil	Nil
Loss after tax	(29,581)	(2,55,578)

OPERATIONS:

Your Company has further received Rs.39,96,812/- as unsecured interest free loans from its holding Company, Jai Realty Ventures Limited, during the year.

DIVIDEND:

In view of the loss for the year, your Directors do not recommend any dividend.

DIRECTORS:

Mr. Bijay Kumar Saraf (DIN 00084108) who retires by rotation and being eligible, has offered himself for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is, hereby, confirmed:

- (i) that in the preparation of the accounts for the financial year ended 31st March, 2014, applicable accounting standards have been followed along with proper explanation relating to material departure ;
- (ii) that appropriate accounting policies have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2014 and of the loss of the Company for the period ended on that date;
- (iii) that proper and sufficient care has been taken 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;

(iv) that accounts for the financial year ended 31st March, 2014 have been prepared on a 'going concern' basis.

AUDITORS AND AUDITORS' REPORT:

M/s Pathak H. D. & Associates, Chartered Accountants, Mumbai, hold office as statutory auditors of the Company until the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. It is proposed to re-appoint them as Statutory Auditors of the Company from the conclusion of ensuing Annual General Meeting till the conclusion of next Annual General Meeting. Your Company has received the certificate from them confirming their eligibility for re-appointment pursuant to the provisions of Section 139 read with section 141 of the Companies Act, 2013 read with Companies (Audit & Auditors) Rules, 2014.

COMPLIANCE CERTIFICATE:

Secretarial Compliance certificate as required under the provisions of Section 383A of the Companies Act, 1956 is annexed hereto and forms part of the Report.

DISCLOSURE OF PARTICULARS RELATING TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

Nil

FIXED DEPOSIT:

Your Company has not accepted any fixed deposit during the year under review.

PARTICULARS OF EMPLOYEES:

There are no employees whose remuneration requires disclosure in terms of the provisions of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.

ACKNOWLEDGEMENT:

Your Directors express their grateful appreciation for the assistance and co-operation received from the banks and other institutions, government authorities and shareholders during the period under review.

For and on behalf of the Board of Directors

Date: 05.05.2014

Place: Mumbai

Ananjan Datta
Director
(DIN 00434224)

G.B.B. BABUJI, B.Com (Hons), FCS

Company Secretary
FCS 1182, CP No.8131

C-601, Neelsidhi Splendour
Sector 15, CBD Belapur
Navi Mumbai 400614
Mobile : 9819099046
e-mail: gbbbabuji@yahoo.co.in

Compliance Certificate

(Pursuant to proviso of sub-section (1) of Section 383A of the Companies Act, 1956)
[See Rule 3 of The Companies (Compliance Certificate) Rules, 2001]

To,

The Members
M/s. SWASTIK LAND DEVELOPERS LIMITED
11-B, Mittal Tower, Free Press Journal Marg,
Nariman Point,
Mumbai-400 021.

CIN : U45201MH2007PLC168337
Nominal Capital: Rs.2,00,00,000/-
Paid up Capital: Rs.100,00,000/-

I have examined the registers, records, books and papers of **M/s. SWASTIK LAND DEVELOPERS LIMITED**, (CIN U45201MH2007PLC168337 - Regn No. No.11-168337) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the Financial Year ended 31st March, 2014 (financial year). In my opinion and to the best of my information and according to the examination carried out by me and explanations furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act and the rules made thereunder.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Register of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the act and the rules made thereunder.
3. The Company being a Public Limited Company, comments are not required.
4. The Board of Directors duly met 4 times on 30/04/2013, 13/08/2013, 30/12/2013 and 06/01/2014 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose.

5. The Company has not closed its Register of Members and Transfer Books during the financial year.
6. The Annual General Meeting for the financial year ended on 31st March, 2013 was held on 19/09/2013 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extraordinary General Meeting of the Company was held during the financial year.
8. The Company has not advanced any loan to its Directors or persons or firms or companies referred to in section 295 of the Act.
9. The Company has not entered into any contract falling within the purview of section 297 of the Act.
10. The entries as required under section 301(3) of the Act, have been made in the Register.
11. There were no instances falling within the purview of section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, members or Central Government, as the case may be.
12. The Company has not issued any duplicate certificate during the financial year.
13. During the financial year
 - a) there was no allotment/transmission of securities; There was one transfer of one equity share and the share certificate duly endorsed has been delivered on time.
 - b) the Company has not deposited any amount in a separate Bank Account as no dividend was declared;
 - c) the Company was not required to post warrants to any member of the Company as no dividend was declared.
 - d) the Company has not declared any dividend and there were no deposit matured, or matured debentures and the interest accrued thereon etc. the provision of transfer of unclaimed or unpaid Accounts to the Investors Education and Protection Fund does not apply to the Company.
 - e) the Company has duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. There was no appointment Additional Directors, Alternate Director or Director to fill causal vacancy during the financial year.

15. The Company has not appointed any Managing Director/Whole-time Director/Manager during the financial year.
16. The Company has not appointed any sole selling agent during the financial year.
17. The Company was not required to obtain any approval of the Central Government, Company Law Board, Regional Director, Registrar of Companies, during the year under review.
18. The Directors have disclosed their interest in the firms/companies to the Board of Directors pursuant to the provisions of the Act.
19. The Company has not bought back any shares during the financial year.
20. There was no redemption of preference shares or debentures during the financial year.
21. There were no transaction necessitating the Company to keep in abeyance the right to dividend, right shares and bonus shares pending registration of the shares.
22. The Company has not invited/accepted any deposits including any unsecured loans falling within the provisions of Section 58A during the financial year.
23. The Company has borrowed from its holding company an amount of Rs.39,96,812 by way of an unsecured interest free loan during the financial year ended 31st March, 2014.
24. The Company has not made loans and investments, or given guarantees or provided security to other bodies corporate during the financial year.
25. The Company has not altered the provisions of the Memorandum of Association with respect to the situation of the Registered Office from one state to another during the year under scrutiny.
26. The Company has not altered the provisions of the Memorandum of Association with respect to the object of the Company during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum of Association with respect to the name of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum of Association with respect to share capital of the Company during the year under scrutiny.
29. The Company has not altered its Articles of Association during the year under scrutiny.
30. There were no prosecution(s) initiated against or show cause notices received by the Company, during the financial year for offences under the Act.

31. The Company has not received any money as security from its employees during the financial year.

32. The Company has not constituted Provident Fund pursuant to Section 418 of the Act, during the financial year.

Place: Mumbai

Date: May 05, 2014

Signature: sd/-

Name of Company Secretary: **G.B.B.Babuji**

CP No.: 8131

ANNEXURE 'A'

M/s. SWASTIK LAND DEVELOPERS LIMITED

Statutory Registers

1. Register of Member U/s 150
2. Register of Directors, Managing Director, Manager and Secretary U/s 303
3. Register of Directors shareholdings U/s 307
4. Minutes Book of all Board Meetings and general Meetings U/s 193 of the Act

Other Registers

1. Register of Application and allotment of shares
2. Register of Share Transfers

Place: Mumbai
Date: May 05, 2014

Signature: sd/-
Name of Company Secretary: G.B.B.Babuji
CP No.: 8131

ANNEXURE 'B'**M/s. SWASTIK LAND DEVELOPERS LIMITED**

Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities during the Financial Year ended 31st March, 2014

Sr No.	Form No.	Filed Under Section	For	Dt of Filing & SRN No	Whether filed on time Yes/No.	If delay in filing whether requisite additional fee paid Yes/ No.
1	Balance Sheet and Statement of Profit/Loss Form No. 23AC/ACA XBRL	220	Annual requirement for the year ended 31 st March, 2013	18/10/2013 Q14485353	Yes	NA
2	Annual return Form No. 20B	159	Annual requirement for the year ended 31 st March, 2013	24/09/2013 Q11578325	Yes	N.A.
3	Secretarial Compliance Certificate Form No.66	383A	Annual Requirement for the year ended 31 st March, 2013	23/09/2013 Q11518685	Yes.	NA
4	Return filed with ROC – Declaration of Beneficial Interest Form No.22B	187(C)	Compliance regarding declaration of beneficial interest	15/01/2014 B93748655	Yes	NA

Place: Mumbai
Date: May 05, 2014

Signature: sd/-
Name of Company Secretary: G.B.B.Babuji
CP No.: 8131

INDEPENDENT AUDITORS' REPORT

To the Members of SWASTIK LAND DEVELOPERS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **SWASTIK LAND DEVELOPERS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including Accounting Standards notified under the Companies Act, ("the Act") read with General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. 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.

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 but not for the purpose of expressing opinion on the effectiveness of the Company's internal control. 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.

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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 March 31, 2014;
- b) In the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

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, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 read with General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;
 - e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 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 PATHAK H.D. & ASSOCIATES
Chartered Accountants
(Firm Registration Number - 107783W)

Place: Mumbai
Date: 5th May 2014

ANUJ BHATIA
Partner
Membership No. 122179

ANNEXURE TO INDEPENDENT AUDITORS' REPORT

(Annexure referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date to the members of Swastik Land Developers Limited on the accounts for the year ended 31st March 2014)

- (i) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
 - (b) As explained to us, all the fixed assets have been physically verified by the management. No material discrepancies were noticed on such verification as compared with the available records.
 - (c) In our opinion and according to the information and explanation given to us, the Company has not disposed off a substantial part of its fixed assets during the year and going concern status of the Company is not affected.

- (ii) In respect of its inventories:

The Company does not have any Inventories; hence the provisions of Clause (ii) of paragraph 4 of the Companies (Auditor's Report) Order 2003 are not applicable to the Company.

- (iii) In respect of loans, secured / unsecured,

The Company has neither granted nor taken any loan, secured or unsecured, to/from companies, firm or other parties covered in the register maintained under Section 301 of the Companies Act, 1956 and hence the provisions of Clause (iii) of paragraph 4 of the Companies (Auditor's Report) Order 2003 are not applicable to the Company.

- (iv) In our opinion and according to the information and explanations given to us there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and for the sale of goods. During the year, the Company did not undertake any activity of purchase of inventory, fixed assets and sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal control system.

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- (v) According to the information and explanations given to us, there are no contracts or arrangements referred to in section 301 of the Companies Act, 1956 that need to be entered in the register required to be maintained under that section.
- (vi) According to the information and explanations given to us, the Company has not accepted any deposits from the public. Hence, the provisions of Clause (vi) of paragraph 4 of the Companies (Auditor's Report) Order 2003 are not applicable to the Company.
- (vii) As the Company is not listed on any stock exchange or the paid up capital and reserves as at the Commencement of the financial year did not exceed Rupees Fifty lacs or average annual turnover for a period of three consecutive financial years immediately preceding the financial year did not exceed Rupees Five Crores, hence the provisions of Clause (vii) of paragraph 4 of the Companies (Auditor's Report) Order 2003 are not applicable to the Company.
- (viii) As the Company is not listed company or net worth of it as on last date of immediately financial year was not excess of Rs. Five Crores or turnover during the immediately financial year was not in excess of Rs. Twenty Crores and accordingly, the cost records under Section 209(1)(d) of the Companies Act, 1956 as prescribed by Central Government are not applicable to the year under audit.
- (ix) In respect of statutory and other dues:
 - (a) According to the records of the Company, the Company has generally been regular during the year in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Wealth Tax, Custom Duty, Excise Duty, Service Tax and Cess and other material statutory dues, as applicable, with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of aforesaid dues were outstanding as at 31st March, 2014 for a period of more than six months from the date they became payable.
 - (b) According to the information and explanation given to us there are no dues of Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Service Tax & Cess as applicable, which have not been deposited on account of any dispute.
- (x) The Company has accumulated losses at the end of the financial year which is more than fifty per cent of its net worth. The Company has incurred cash losses during the current financial year and in the immediately preceding financial year.

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- (xi) Based on our audit procedures and on the information and explanations given by the management, the Company has not taken any borrowings from financial institutions, banks or debenture holders, hence the provisions of Clause (xi) of paragraph 4 of the Companies (Auditor's Report) Order 2003 are not applicable to the Company.
- (xii) In our opinion and according to the information and explanations given to us and based on the information available, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi mutual benefit fund/society. Hence, the provisions of Clause (xiii) of paragraph 4 of the Companies (Auditor's Report) Order 2003 are not applicable to the Company.
- (xiv) The Company has no transactions and contracts in respect of dealing and trading in shares and other securities, hence the provisions of Clause (xiv) of paragraph 4 of the Companies (Auditor's Report) Order 2003 are not applicable to the Company.
- (xv) As per the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions, hence the provisions of Clause (xv) of paragraph 4 of the Companies (Auditor's Report) Order 2003 are not applicable to the Company.
- (xvi) To the best of our knowledge and belief and according to the information and explanations given to us, no term loan has been raised during the year & hence, hence the provisions of Clause (xvi) of paragraph 4 of the Companies (Auditor's Report) Order 2003 are not applicable to the Company.
- (xvii) On review of utilization of funds based on an overall examination of the Balance Sheet of the Company as at 31st March, 2014, we report that prima facie, funds raised on short-term basis have not been utilized for long term investment.
- (xviii) During the year, the Company has not made preferential allotment of shares to the parties covered in the register maintained under Section 301 of the Companies Act, 1956.

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- (xix) The Company has not issued any Debentures during the year.
- (xx) The Company has not raised any money by way of public issue during the year.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For PATHAK H.D. & ASSOCIATES

Chartered Accountants

(Firm Registration Number - 107783W)

Place: Mumbai

Date: 5th May 2014

ANUJ BHATIA

Partner

Membership No. 122179

SWASTIK LAND DEVELOPERS LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2014

(Amount in Rs.)

Particulars	Note	As At	
		31 st March, 2014	As At 31 st March, 2013
I EQUITY AND LIABILITIES			
1 Shareholders' funds			
Share Capital	2	10,000,000	10,000,000
Reserves and Surplus	3	<u>(9,636,843)</u>	<u>(9,607,262)</u>
		363,157	392,738
2 Non-current Liabilities			
Long-term Borrowings	4	87,672,957	83,676,145
3 Current Liabilities			
Other Current Liabilities	5	14,045	244,045
TOTAL		<u>88,050,159</u>	<u>84,312,928</u>
II ASSETS			
1 Non-current Assets			
Fixed Assets			
Capital Work-in-progress	6	8,300	8,300
2 Current Assets			
Cash and Bank Balances	7	10,859	5,628
Short-term Loans and Advances	8	<u>88,031,000</u>	<u>84,299,000</u>
TOTAL		<u>88,050,159</u>	<u>84,312,928</u>
Significant Accounting Policies	1		
Notes on Financial Statements	2 to 14		

As per our report of even date
For Pathak H. D. & Associates
Chartered Accountants

For and on behalf of the Board of Directors

Anuj Bhatia
Partner

A.Datta
Director
(DIN 00434224)

Bijay Kumar Saraf
Director
(DIN 00084108)

Place : Mumbai

Date : 5th May, 2014

SWASTIK LAND DEVELOPERS LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

Particulars	Note	(Amount in Rs.)	
		Year Ended 31 st March, 2014	Year Ended 31 st March, 2013
I Other Income	9	1,690	-
II Total Revenue		1,690	-
III Expenses			
Other Expenses	10	31,271	255,578
Total Expenses		31,271	255,578
IV Profit / (Loss) Before Tax (II- III)		(29,581)	(255,578)
V Tax Expense		-	-
VI Net Profit / (Loss) for the Year (IV - V)		(29,581)	(255,578)
VII Earnings per Equity Share of Rs.10 each (Basic and Diluted) (In Rs.)	11	(0.59)	(5.11)
Significant Accounting Policies Notes on Financial Statements	1 2 to 14		

As per our report of even date
For Pathak H. D. & Associates
Chartered Accountants

For and on behalf of the Board of Directors

Anuj Bhatia
Partner

A.Datta
Director
(DIN 00434224)

Bijay Kumar Saraf
Director
(DIN 00084108)

Place : Mumbai
Date : 5th May, 2014

SWASTIK LAND DEVELOPERS LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

(Amount in Rs.)

Particulars	Year Ended 31 st March, 2014	Year Ended 31 st March, 2013
A. Cash Flow from Operating Activities		
Net (Loss) before tax as per Statement of Profit and Loss	(29,581)	(255,578)
Adjusted for		
Sundry Balance Written back	(1,690)	-
Operating (Loss) before Working Capital Changes	(31,271)	(255,578)
Adjusted for		
Other Receivables	(3,732,000)	-
Trade and Other Payables	(228,310)	230,000
Cash used in Operations	(3,991,581)	(25,578)
Direct Taxes Paid	-	-
Net Cash used in Operating Activities	(3,991,581)	(25,578)
B. Cash Flow from Investing Activities		
Net Cash from / (used in) Investing Activities	-	-
C. Cash Flow from Financing Activities		
Proceeds from Long term Borrowings	3,996,812	23,033
Net Cash From Financing Activities	3,996,812	23,033
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	5,231	(2,545)
Opening Balance of Cash and Cash Equivalents	5,628	8,173
Closing Balance of Cash and Cash Equivalents #	10,859	5,628

Components of Cash and Cash equivalents Refer note 7

Notes :

- Figures in brackets represent cash outflow.
- The above Cash Flow Statements has been prepared under the "Indirect Method" as set out in Accounting Standard-3 "Cash Flow Statement" as notified in the Companies (Accounting Standards) Rules, 2006.
- Previous year Long term Borrowings of Rs.95,00,000 from Holding Company "Jai Realty Ventures Limited" has been converted into 1% Redeemable Non-cumulative preference shares and the same has been considered as non-cash items.
- The previous year's figures have been regrouped, rearranged, and reclassified wherever necessary.

As per our report of even date

For Pathak H. D. & Associates

Chartered Accountants

For and on behalf of the Board of Directors

Anuj Bhatia

Partner

Place : Mumbai

Date : 5th May, 2014

A.Datta

Director

(DIN 00434224)

Bijay Kumar Saraf

Director

(DIN 00084108)

SWASTIK LAND DEVELOPERS LIMITED

Notes on Financial statements for the year ended 31st March, 2014

Note 1 Significant Accounting Policies

1.1 Basis Of Preparation Of Financial Statements

The financial statements have been prepared as a going concern under historical cost convention, in accordance with the notified Accounting Standards by Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956 ("The Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of general circular 15/2013, dated 13th September 2013 of the Ministry of Corporate Affairs) as adopted consistently by the Company.

1.2 Use Of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the Financial Statements and the reported amount of revenue and expenses during the reporting period. Differences between the actual results and estimates are recognised in the period in which the results are known/materialised.

1.3 Fixed Assets

Fixed Assets are stated at cost of acquisition less accumulated depreciation and impairment loss, if any.

1.4 Depreciation

Depreciation has been provided on Straight line method as the rates and manner prescribed under Schedule XIV to the Companies Act, 1956.

1.5 Preliminary And Share Issue Expenses

Preliminary expenses and share issue expenses are charged off to the Statement of Profit and Loss during the year.

1.6 Inventories

Cost of inventories consists of cost of land, land development expenses, material services, construction cost, interest and financial charges and other expenses related to project under development. In general, all Inventories of land are stated at lower of cost and net realisable value.

1.7 Provision For Current And Deferred Tax

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income-tax Act, 1961. Deferred tax resulting from "timing difference" between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is a virtual/reasonable certainty that the assets will be realized in future.

1.8 Provision, Contingent Liabilities And Contingent Assets

A provision is recognised when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. A contingent liability is disclosed, unless the possibility of an outflow of resources embodying the economic benefit is remote. Contingent assets are neither recognized nor disclosed in the financial statements.

SWASTIK LAND DEVELOPERS LIMITED
Notes on Financial statements for the year ended 31st March, 2014

Note 2 - Share Capital

Particulars	(Amount in Rs.)		
	As At 31 st March, 2014	As At	31 st March, 2013
Authorised			
10,00,000 Equity Shares of Rs.10 each (10,00,000)	10,00,000		10,00,000
10,00,000 Redeemable Preference Shares of Rs.10 each (10,00,000)	10,00,000		10,00,000
	20,00,000		20,00,000
Issued, Subscribed and Paid Up			
50,000 Equity Shares of Rs. 10 each fully paid up (50,000)	500,000		500,000
9,50,000 1% Redeemable Non-Cumulative (9,50,000) Preference Shares of Rs. 10 each	9,50,000		9,50,000
	10,00,000		10,00,000

Figures in bracket represent previous year figures.

2.1 (i) Reconciliation of number of Equity Shares outstanding.

Particulars	As At		
	31 st March, 2014	As At	31 st March, 2013
Number of Shares outstanding at the beginning of the year	50,000		50,000
Number of Shares outstanding at the end of the year	50,000		50,000

(ii) Reconciliation of number of Preference Shares outstanding.

Particulars	As At		
	31 st March, 2014	As At	31 st March, 2013
Number of Shares outstanding at the beginning of the year	950,000		-
Add : Shares issues during the year	-		950,000
Number of Shares outstanding at the end of the year	950,000		950,000

2.2 (i) The Terms / Rights attached to the Equity Shares

Holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by shareholders.

(ii) The Terms of conversion / redemption of Preference Shares

1% Redeemable Non Cumulative Preference Shares (NCPS) of Rs.10 each shall be redeemable before the end of twenty years from the date of allotment with an option to the Company / the Shareholder to redeem the same earlier but not before the expiry of one year from the date of allotment i.e. 28th March 2013. The preference shares have a preferential right to dividend of 1% per annually, carry a preferential right for repayment of capital in priority to the equity shares, on liquidation of the Company or repayment of capital. However, the preference shares carry no further or other right to participate either in the profits or assets of the Company.

2.3 Details of equity shares in the Company held by Holding Company

Particulars	(In Nos.)		
	As At 31 st March, 2014	As At	31 st March, 2013
Jai Realty Ventures Limited			
Equity Shares (Including Equity Shares held jointly with nominees)	50,000		50,000
1% Redeemable Non-Cumulative Preference Shares of Rs. 10 each	950,000		950,000

2.4 Details of Equity Shares in the Company held by each shareholder holding more than 5% shares:

Name of Shareholder	As At 31 st March, 2014		As At 31 st March, 2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Jai Realty Ventures Limited				
Equity Shares (Including Equity Shares held jointly with nominees)	50,000	100	50,000	100
1% Redeemable Non-Cumulative Preference Shares of Rs. 10 each	950,000	100	950,000	100

SWASTIK LAND DEVELOPERS LIMITED
Notes on Financial statements for the year ended 31st March, 2014

Note 3 - Reserves and Surplus

Particulars	(Amount in Rs.)	
	As At 31 st March, 2014	As At 31 st March, 2013
Surplus in Statement of Profit and Loss	(9,607,262)	(9,351,684)
Add: (Loss) for the year	(29,581)	(255,578)
Closing Balance	(9,636,843)	(9,607,262)
Total	(9,636,843)	(9,607,262)

Note 4 - Long - Term Borrowings

Particulars	(Amount in Rs.)	
	As At 31 st March, 2014	As At 31 st March, 2013
Unsecured Loans		
Loan from Related Party	87,672,957	83,676,145
Total	87,672,957	83,676,145

- 4.1 The above interest free loan from Jai Realty Ventures Limited, holding company, is repayable on or before 30th June, 2015 with an option to the company to repay earlier if sufficient funds are available with the company
- 4.2 For details refer note 13

Note 5 - Other Current Liabilities

Particulars	(Amount in Rs.)	
	As At 31 st March, 2014	As At 31 st March, 2013
Expenses Payable	14,045	244,045
Total	14,045	244,045

Note 6 - Fixed Assets

Particulars	(Amount in Rs.)	
	As At 31 st March, 2014	As At 31 st March, 2013
Capital Work-in-progress	8,300	8,300
Total	8,300	8,300

Note 7 - Cash and Bank Balances

Particulars	(Amount in Rs.)	
	As At 31 st March, 2014	As At 31 st March, 2013
Cash and Cash Equivalents		
Balance with a Bank in Current Account	10,859	5,628
Total	10,859	5,628

Note 8 - Short - Term Loans and Advances

Particulars	(Amount in Rs.)	
	As At 31 st March, 2014	As At 31 st March, 2013
(Unsecured, Considered Good)		
Other Loans and Advances		
Advance Towards Development Rights	88,031,000	84,299,000
Total	88,031,000	84,299,000

Note 9 - Other Income

Particulars	(Amount in Rs.)	
	Year Ended 31 st March, 2014	Year Ended 31 st March, 2013
Sundry Credit Balance Written Back	1,690	-
TOTAL	1,690	-

SWASTIK LAND DEVELOPERS LIMITED
Notes on Financial statements for the year ended 31st March, 2014

Note 10 - Other Expenses

Particulars	(Amount in Rs.)	
	Year Ended 31 st March, 2014	Year Ended 31 st March, 2013
Administrative and General Expenses		
Rates and Taxes	4,012	232,806
Legal, Professional and Consultancy Charges	12,989	8,727
Bank Charges	225	-
Payment to Auditors		
Audit Fees	14,045	14,045
Total	31,271	255,578

Note 11 - Earnings Per Equity Share

Particulars	Year Ended	
	31 st March, 2014	31 st March, 2013
Net (Loss) for the Year Attributable for Equity Shareholders for Basic and Diluted EPS (In Rs.)	(29,581)	(255,578)
Weighted Average Number of Equity Shares Outstanding During the Year for Basic EPS and Diluted EPS (in Nos.)	50,000	50,000
Basic and Diluted Earning per share of Rs. 10 each (in Rs.)	(0.59)	(5.11)
Face Value per Equity Share (in Rs.)	10.00	10.00

Note 12 - Segment Reporting

In the opinion of the Management and based on consideration of dominant source and nature of risk and returns, the Company's activities, during the year revolved around the single segment namely, "Builders and Developers". Considering the nature of Company's business and operations, there are no separate reportable segment (Business and/or Geographical) in accordance with the requirement of Accounting Standard 17-"Segment Reporting" as notified in the Companies (Accounting Standards) rules 2006.

Note 13 - Related Party Disclosure

Information on Related Parties Disclosures as per Accounting Standard (AS-18) - "Related Party Disclosures" are given below:

(A) List of Related Parties :

Jai Realty Ventures Limited Holding Company
 Jai Corp Limited Ultimate Holding Company

(B) Transactions with Related Parties :

Name of the Party	Nature of Transaction	2013-14	(Amount in Rs.) 2012-13
Jai Realty Ventures Limited	Equity Shares		
	-- Opening Balance	500,000	500,000
	-- Closing Balance	500,000	500,000
	1% Redeemable Non-Cumulative Preference Shares		
	-- Opening Balance	9,500,000	-
	-- Issued during the year	-	9,500,000
	-- Closing Balance	9,500,000	9,500,000
	Long-term Borrowings		
	-- Opening Balance	83,676,145	93,153,112
	-- Received During the year	3,996,812	23,033
	-- Refund/Adjustment during the year	-	9,500,000
	-- Closing Balance	87,672,957	83,676,145
	Reimbursement of Expenses to	220,312	9,033

Note 14

Previous year's figures have been re-grouped, reworked, reclassified and re-arranged wherever necessary.

As per our report of even date
For Pathak H. D. & Associates
 Chartered Accountants

For and on behalf of the Board of Directors

Anuj Bhatia
 Partner

A.Datta
 Director
 (DIN 00434224)

Bijay Kumar Saraf
 Director
 (DIN 00084108)

Place : Mumbai
 Date : 5th May, 2014