

# Swagat Synthetics Private Limited

## NOTICE OF ANNUAL GENERAL MEETING


Notice is hereby given that the 27<sup>th</sup> Annual General Meeting of the Shareholders of the Company will be held on, 30<sup>th</sup> September, 2014 at 11.00 A.M. at the Registered Office of the Company to transact the following business: -

### ORDINARY BUSINESS

1. To receive, consider & adopt the financial statement for the year ended on 31<sup>st</sup> March 2014 and the reports of the directors and Auditors thereon.
2. To reappoint M/s S. Dad & Co. Chartered Accountants as the Auditors of the Company & to fix their remuneration.

For & on behalf of the board

Bhilwara, September 6<sup>th</sup>, 2014

  
Jagdish Prasad Nuwal  
Chairman

### Notes:

1. A Member is entitled to attend & Vote is entitled to appoint a proxy or proxies to attend & vote instead of him self on a poll & that a proxy need not be a member. Proxies in order to effective must be received by the company at the registered office not less than 48 hours before meeting.

# Swagat Synthetics Private Limited

## DIRECTOR'S REPORT

The Members,

Your Directors have pleasure in presenting the 27<sup>th</sup> Annual report of the company & audited statement of accounts for the year ended 31st March, 2014.

### FINANCIAL RESULTS:

The Highlights of the financial results of the year-ended **31.03.2014** are

Particulars	Rs. in Lacs	
	Current Year As at 31.03.2014	Previous Year as at 31.03.2013
Turnover/Gross Receipts	6080.53	5484.95
Profit Before Depreciation & Amortization	270.87	249.02
Depreciation & Amortization	145.82	170.40
Profit Before Tax	125.05	78.61
Provision For Taxation/Deferred Tax	39.33	19.79
Net Profit After Tax	85.72	58.83

### BUSINESS PERFORMANCE

During the year under consideration the company has achieved turnover/gross receipts of Rs. 6080.53 Lacs as against Rs. 5484.95 Lacs in the previous year. Net Profit (after providing for the taxation and deferred tax) of the Company during the year is Rs. 85.72 Lacs as against net profit of Rs. 58.83 Lacs during previous year.

### DIVIDEND

Taking into the Consideration of increased turnover, the need of Working capital, the Director decided to conserve the profit & hence do not propose any dividend.

### 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:

1. In the preparation of the accounts for the financial year ended **31st March, 2014**, the applicable accounting standards have been followed and no material departures have been made from the same.
2. Appropriate accounting policies have been selected and applied consistently and have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year ended on **31st March, 2014** and of the profit or loss of the company for the year under review.
3. Proper and sufficient care has been taken for the maintenance of adequate accounting records for the year ended **31st March, 2014** in accordance with the provisions of the Companies' act, 1956, for safeguarding the assets of the company and for prevention and detection of fraud and other irregularities.
4. The annual accounts for the financial year ended **31st March, 2014** have been prepared on a 'going concern' basis

# Swagat Synthetics Private Limited

## DEPOSITS

During the year under review the company has not accepted any deposit from public under section 58A of the Companies Act, 1956

## AUDITOR & AUDITOR'S REPORT

M/s S. Dad & Co., Chartered Accountants, Bhilwara, Auditors of the Company shall be retiring at the conclusion of the AGM and being eligible, offer themselves for reappointment. Your Directors propose their reappointment. The company has obtained a certificate as required under section 139(1) of the Companies Act, 2013 from the Auditors to the effect that their reappointment, if made, would be in conformity with the limits specified in the said section. Notes to the accounts, as referred in the Auditors Report, are self-explanatory and practice consistently followed and therefore do not call for any further comments and explanations

## SECRETARIAL COMPLIANCE CERTIFICATE

The Compliance Certificate from Practicing Company Secretaries in terms of proviso to section 383 A (1) of the Companies act, 1956 read with Companies amendment Act, 2000 & Companies compliance certificate rules, 2001 is attached herewith.

## PARTICULARS OF EMPLOYEES

Information pursuant to Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Amendment Rules, 1975 is not applicable as none of employees is drawing salary up to and exceeding the limit specified in the said section during the year or part of the year

## COST COMPLIANCE CERTIFICATE

Compliance Certificate from Practicing Cost Auditor in terms of section 642 (1) (b) read with section 209 (1) (d) of the Companies Act, 1956 & Companies (Cost Audit Report) Rules, 2011 is attached herewith.

## ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE


As required under section 217(1)(c) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of directors) Rules, 1988 the relevant particulars are enclosed herewith in Annexure, forming part of the Report.

## ACKNOWLEDGEMENT

Your Director sincerely appreciates the high degree of professionalism, commitment and dedication displayed by employees at all levels. The Director also wishes to place on record their gratitude to the Bankers, Govt. & Semi Govt. organization & Member for their continued support and confidence.

For & on behalf of the board

Bhilwara, September 6<sup>th</sup>, 2014

  
Jagadish Prasad Nuwal  
Chairman

# Swagat Synthetics Private Limited

## ANNEXURE TO DIRECTOR'S REPORT

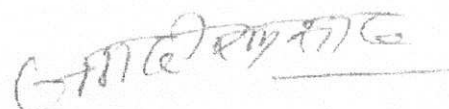
Statement of particulars related to energy conservation pursuant to Companies (Disclosure of particulars in the report of board of directors) Rules 1988 and forming part of director's report for the ended 31st March, 2014.

(in Lacs)

A. POWER & FUEL CONSUMPTION	CURRENT YEAR 31.03.2014	PREVIOUS YEAR 31.03.2013
1. Electricity		
a. Purchase Units	28.27	28.54
Total Amount (Rs.)	175.98	172.42
Rate/Unit (Amount in Rs)	6.23	6.04
b. Own Generator		
Through Diesel generator		
Units	1.55	1.60
Unit Per 3.19 ltr. of diesel oil		
Cost / Unit (Rs)	16.03	13.69
B. CONSUMPTION PER UNIT OF PRODUCTION		
Production (In Lacs Mtrs.)	90.65	90.63
Electricity Units Per Mtrs.	0.31	0.33
C. TECHNOLOGY ABSORPTION		
Expenditure incurred on R&D during the year.		
-Capital Expenditure -	Nil	Nil
-Recurring Expenditure -	The expenditure form the part of general expenses of the company, the precise amount is not quantifiable.	
D. FOREIGN EXCHANGE EARNING AND OUT GO		
Foreign exchange earnings	NIL	NIL
Foreign exchange outgo	NIL	NIL
Net Foreign exchange outgo	NIL	NIL

For & on behalf of the board

Bhilwara, September 6<sup>th</sup>, 2014



Jagdish Prasad Nuwal  
Chairman

# Swagat Synthetics Private Limited

## INDEPENDENT AUDITOR'S REPORT

To  
The Members of  
**Swagat Synthetics Private Limited**  
**Report on the Financial Statements**

We have audited the accompanying financial statements of **Swagat Synthetics Private Limited**, which comprise the Balance Sheet as at March 31<sup>st</sup> 2014, and the Statement of Profit and Loss and the 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13<sup>th</sup> 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 an opinion on the effectiveness of the entity'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.

### **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<sup>st</sup> 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date;





# Swagat Synthetics Private Limited

(c) In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date

## Report on Other Legal and Regulatory Requirements

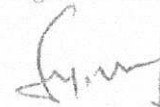
1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

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 purpose 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 accounts.
- d. in our opinion, the Balance Sheet and Statement of Profit and Loss comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated 13<sup>th</sup> 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<sup>st</sup>, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31<sup>st</sup>, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For S. Dad & Co.

Chartered Accountants  
Firm Regd. No. 007534C



Sanjay Dad  
Partner

Membership No. 076334

Bhilwara, September 6<sup>th</sup>, 2014



- (iii) (a) The company has not granted any loans, secured or unsecured, to any party covered u/s 301 of the companies Act, 1956.

- (c) In our opinion & according to the information & explanation given to us, the rate of interest, and other terms and conditions of the above loans are not, prima facie, prejudicial to the interest of the company

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# Swagat Synthetics Private Limited

- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regards to purchase of inventory/ fixed assets and with regards to the sale of goods. During the course of audit, we have not observed any continuing failure to correct major weakness in internal control.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained u/s 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained U/s 301 of the Companies Act, 1956 and exceeding the value of rupees Five Lac in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) In our opinion, the company has not accepted any deposits from the public within the meaning of the provisions of section 58 A and 58AA of the Act and the rules framed there under.
- (vii) In our opinion, the company has an internal audit system commensurate with the size of the company and the nature of its business.
- (viii) The Central Government has prescribed maintenance of the cost records U/S 209(1)(d) of the Companies Act, 1956 in respect of the company's products. We have broadly reviewed the books of accounts & records maintained by the company in this connection and are of the opinion that prima facie, the prescribed accounts and records have been made & maintained. We have however, not made a detailed examination of the records with a view to determining whether they are accurate or complete.
- (ix) (a) According to the information and explanations given to us and the records of the company examined by us, the company is regular in depositing undisputed statutory dues including Provident Fund, Employee State Insurance, Investor Education Funds, Income Tax, Sales Tax, Wealth tax, Custom Duty, Excise Duty, Cess and any other material statutory dues as applicable with the appropriate authorities & there were no undisputed statutory dues, outstanding at the year ended on **31st March 2014**, for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of sales tax, income tax, custom duty, wealth tax, excise duty and cess which have not been deposited on account of any dispute.
- (x) The Company has no accumulated losses at the end of the year. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.



# Swagat Synthetics Private Limited

- (xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution or bank.
- (xii) In our opinion and according to the information and explanations given to us, the company has not granted loans and advances 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 Nidhi mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xiv) In our opinion, the company is not dealing in trading in shares, securities, debenture and other investment. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 is applicable.
- (xv) In our opinion and as per explanations given to us, the company has not given guarantee for loan taken by the others from banks or financial institutions during the year.
- (xvi) In our opinion, and according to the information and explanation given to us, no term loan has been obtained by the company during the period of our audit; hence this clause is not applicable.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that funds raised on short-term basis have not been used for long-term purposes. No long-term funds have been used to finance short-term assets.
- (xviii) According to the information and explanation given to us, the company has not made preferential allotment of shares to the parties and companies covered in the register maintained u/s 301 of the Act.
- (xix) According to the information and explanations given to us, during the period covered by our audit report, the company has not issued any debentures.
- (xx) The company has not made any public issue during the year; hence this clause is not applicable.
- (xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

Bhilwara, September 6<sup>th</sup>, 2014



For S. Dad & Co.  
Chartered Accountants  
Firm Regd No. 007534C

Sanjay Dad  
Partner

Membership No. 076334

# Swagat Synthetics Private Limited

## Balance Sheet as at 31st March 2014

	Particulars	Note No.	Current Year	Previous Year
<b>I. EQUITY AND LIABILITIES</b>				
<b>Shareholder's Funds</b>				
(a)	Share Capital	1	41,340,000	41,340,000
(b)	Reserves and Surplus	2	100,456,824	91,885,023
<b>Non-Current Liabilities</b>				
(a)	Long-Term Borrowings	3	122,104,483	109,830,007
(b)	Deferred Tax Liabilities (Net)	4	15,800,556	14,424,397
<b>Current Liabilities</b>				
(a)	Short-Term Borrowings	5	121,719,781	121,357,100
(b)	Trade Payables	6	36,953,698	29,301,962
(c)	Other Current Liabilities	7	18,396,409	17,489,343
<b>Total Equity &amp; Liabilities</b>			<b>456,771,752</b>	<b>425,627,832</b>
<b>II. ASSETS</b>				
<b>Non-Current Assets</b>				
(a)	Fixed Assets			
(i)	Gross Block	8	346,306,296	317,484,067
(ii)	Depreciation	8	141,547,683	138,108,954
<b>Tangible Assets</b>			<b>204,758,613</b>	<b>179,375,113</b>
(b)	Long term loans and advances	9	2,141,544	2,141,544
(c)	Other non-current assets	10	650,246	562,455
<b>Current Assets</b>				
(a)	Inventories	11	169,319,181	173,998,434
(b)	Trade receivables	12	73,112,338	58,610,265
(c)	Cash and Bank	13	2,258,651	1,417,096
(d)	Short-term loans and advances	14	4,501,179	9,522,925
<b>Total Assets</b>			<b>456,771,752</b>	<b>425,627,832</b>

Notes on Accounts & Significant Accounting policies

1 to 31

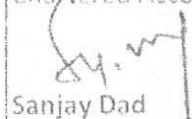
As per Our report attached on even date

For S Dad & Co.

For and on Behalf of the Board

Firm Regn No. 007534C

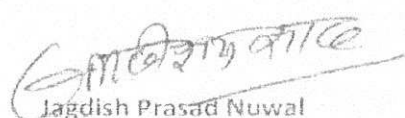
Chartered Accountants

  
Sanjay Dad

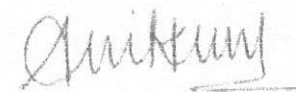
Partner

Membership No. 076334

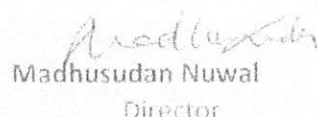
Bhilwara, September 6th, 2014

  
Jagdish Prasad Nuwal

Chairman

  
Anil Nuwal

Managing Director

  
Madhusudan Nuwal  
Director

# Swagat Synthetics Private Limited

## Statement of Profit & Loss for the year ended 31st MARCH 2014

	Particulars	Note No.	Current Year	Previous Year
	Revenue from operations	15	607,147,962	548,281,417
	Other Income	16	905,175	213,083
	<b>III. Total Revenue (I + II)</b>		<b>608,053,137</b>	<b>548,494,500</b>
	<u>Expenses:</u>			
	Cost of materials consumed	17	227,290,180	184,019,557
	Purchase of Stock-in-Trade	18	172,032,790	188,311,106
	Direct/ Production Overhead	19	69,861,000	75,489,940
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	20	12,653,252	(18,728,851)
	Employee Benefit Expense	21	36,326,703	31,713,792
	Financial Costs	22	29,339,867	33,330,021
	Depreciation and Amortization Expense	23	14,582,125	17,040,520
	Administrative Expenses	24	33,462,016	29,456,430
	<b>Total Expenses</b>		<b>595,547,933</b>	<b>540,632,515</b>
	Profit before exceptional and extraordinary items and tax		<b>12,505,204</b>	<b>7,861,985</b>
	Exceptional Items			
	Profit before extraordinary items and tax (V - VI)		<b>12,505,204</b>	<b>7,861,985</b>
	Extraordinary Items			
	Profit before tax (VII - VIII)		<b>12,505,204</b>	<b>7,861,985</b>
	<u>Tax expense:</u>			
	(1) Current tax		2,557,244	1,506,669
	(2) Deferred tax	4	1,376,159	472,392
	Profit/(Loss) for the period (IX + XI)		<b>8,571,801</b>	<b>5,882,924</b>
	Earning per equity share:			
	(1) Basic	26	2.07	1.42
	(2) Diluted	26	2.07	1.42

Notes on Accounts & Significant Accounting policies

1 to 31

As per Our report attached

For S Dad & Co.

Firm Regn No. 007534C

Chartered Accountants

For and on Behalf of the Board

Sanjay Dad

Partner

Membership No. 076334

Bhilwara, September 6th, 2014



*[Signature]*  
Jagdish Prasad Nuwal

Chairman

*[Signature]*

Anil Nuwal

Managing Director

*[Signature]*  
Madhusudan Nuwal  
Director

# SWAGAT SYNTHETICS PRIVATE LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014

3

PARTICULARS	Current Year	Previous Year
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax	12,503,704	7,861,985
Adjustment for : (Non Cash and Non Operating items)		
Add, Depreciation	14,582,125	17,040,520
Add, Finance Cost	29,339,867	33,330,071
Add: Loss on sale of Fixed Assets		1,542,580
Less: Other Income	(91,191)	(213,083)
Less: Profit on Sale of Fixed Assets	(813,984)	
<b>Operating Profit before Working Capital Changes</b>	<b>55,522,021</b>	<b>59,562,023</b>
Adjustment for :		
(Increase)/Decrease in Trade & other receivable	(14,502,073)	16,961,338
(Increase)/Decrease in inventories	4,679,253	(38,088,657)
(Increase)/Decrease in Short term Loans & Advances	5,021,746	(6,173,446)
Increase/(Decrease) in Trade Payables & Other Payables	8,139,234	23,807,143
Cash Generated from Operation before Tax	58,860,181	56,068,501
Less: Income Tax Paid	2,557,244	1,506,569
<b>Net Cash From Operating Activities (A)</b>	<b>56,302,937</b>	<b>54,561,932</b>
<b>B CASH FLOW FROM INVESTING ACTIVITY</b>		
Purchase of Fixed Assets	(41,401,641)	(12,831,083)
Sale Consideration of Fixed Assets	2,250,000	4,008,000
Other Income	91,191	213,083
Capital subsidy received		
<b>Net cash used in Investing Activity (B)</b>	<b>(39,060,450)</b>	<b>(8,610,000)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Equity Capital raised during the year		
Increase/(Decrease) in Long term Borrowing	12,694,044	(20,024,811)
Increase/(Decrease) in Short term Borrowing	362,681	(1,795,470)
(Increase)/Decrease in Long Term Loans & Advances/other non current Assets	(87,791)	1,686,354
Less: Interest Paid	(29,339,867)	(33,330,071)
<b>Net Cash used in Financing Activities(C)</b>	<b>(16,370,933)</b>	<b>(53,463,948)</b>
<b>Net change in Cash &amp; Cash Equivalents(A+B+C)</b>	<b>871,554</b>	<b>(7,512,116)</b>
Cash & Cash Equivalents - Opening Balance	1,417,096	8,929,212
Cash & Cash Equivalents - Closing Balance	<b>2,288,650</b>	<b>1,417,096</b>

### Notes on Accounts & Significant Accounting policies

As per Our report attached on even date

For S Dad & Co.

Firm Regn No. 007534C

Chartered Accountants

For and on Behalf of the Board

Sanjay Dad

Partner

Membership No. 076334

Bhilwara, September 6th, 2014



*(Signature)*  
Jagdish Prasad Nuwal  
Chairman

Anil Nuwal  
Director

*(Signature)*  
Madhusudan Nuwal  
Director

# Swagat Synthetics Private Limited

Notes Forming Integral Part of Financial Statement as at 31st March, 2014

**Note : 1 Share Capital**

Particulars	Current Year	Previous Year
<b>AUTHORIZED CAPITAL</b>		
42,50,000 (42,50,000) Equity shares of Rs. 10/-each	42500000	42500000
	42500000	42500000
<b>ISSUED , SUBSCRIBED &amp; PAID UP CAPITAL</b>		
41,34,000 (41,34,000) Equity shares of Rs. 10/- each fully paid up	41340000	41340000
<b>Total in</b>	<b>41340000</b>	<b>41340000</b>

1) A reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period;

Particulars	Equity Shares			
	As at 31 March 2014		As at 31 March 2013	
	Number	₹	Number	₹
Shares outstanding at the beginning of the year	4134000	41340000	4134000	41340000
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Any other movement (please specify)	-	-	-	-
Shares outstanding at the end of the year	4134000	41340000	4134000	41340000

2) Shares in the company held by each shareholder holding more than 5 % shares specifying the number of shares held

Name of Shareholder	Equity Shares			
	As at 31 March 2014		As at 31 March 2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Jagdish Prasad Nuwal	602500	14.57	602500	14.57
Anil Nuwal	933700	22.59	933700	22.59
Jugal Kishore Nuwal	300500	7.27	300500	7.27
Marhru Sudan Nuwal	497100	12.02	497100	12.02
Sita Software Pvt. Ltd.	340450	8.24	340450	8.24
Seezoo Infotech Pvt. Ltd.	619850	14.99	619850	14.99
Exclusive com Pvt. Ltd.	555000	13.43	555000	13.43



# Swagat Synthetics Private Limited

*Notes Forming Integral Part of Financial Statement as at 31st March, 2014*

## 2 Reserve & Surplus

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Particulars		Current Year	Previous Year
<b>Capital Reserve</b>			
Subsidy		788,522	788,522
Share Premium	(a)	34,560,000	34,560,000
Balance brought forward from previous year		56,536,501	50,653,577
Less: TDS no more receivable		-	-
Add: Profit for the period		8,571,801	5,882,924
Surplus (Profit & Loss Account)	(b)	65,108,302	56,536,501
<b>Total</b>	<b>(a+b)</b>	<b>100,456,824</b>	<b>91,885,023</b>

## 3 Long Term Borrowing:

₹

Particulars		Current Year	Previous Year
<b>SECURED LOAN</b>			
Term Loan :- From Bank			
- From Bank of Baroda		24,700,000	57,767,480
- SBI Car Loan		1,456,552	
<b>UNSECURED LOAN</b>			
From Related Parties		90,602,020	35,959,389
From Others		5,345,911	16,103,138
		<b>122,104,483</b>	<b>109,830,007</b>

### Notes and Terms & Condition of Loans:-

- (a) Term Loan Taken from Bank of Baroda of Rs. 930 Lacs and Rs 2780 lacs, is secured by a charge in the nature of equitable Mortgage over Land & Building Situated at G-13,14, F-226,227 & G-228,229, 4th Phase RIICO Industrial area, Bhilwara & all Fixed Assets, present & future along with Exclusive First charge over all stock of Raw Material, Stock in Process, semi finished & finished goods, spares and stores, Consumables and Book Debts of the company.
- (b) Term Loan of Rs. 950 lacs is Repayable In 30 Equal Quarterly Installments of Rs. 31 Lacs each commencing from 01.04.2010.
- (c) New Term Loan of Rs. 2780 lacs is Repayable In 29 Quarterly Balloning Installments starting from 24 months from first disbursement i.e. 24-5-2016.
- (d) Car Loans take from SBI Of Rs. 20.60 Lacs Secured against respective Car.
- (e) Unsecured loan is taken from Directors, Friends, relatives & Shareholders. As Explained the same will become due for payment after a period of 1 year.



# Swagat Synthetics Private Limited

Notes Forming Integral Part of Financial Statement as at 31st March, 2014

## 4 Deferred Tax Liabilities/Assets

		₹
Particulars	Current Year	Previous Year
Timing Difference Due to Depreciation		
WDV as on 31/03/2014 (As Per Books)	166,466,900	179,375,114
Less: Value of Land	1,487,981	1,487,981
	164,978,919	177,887,133
WDV as on 31/03/2011 (As per I.T. Act)	<b>110,752,244</b>	<b>127,957,816</b>
Timing Difference due to Depreciation Difference	54,226,675	49,929,317
Deferred Tax Liability (a)	<b>16,756,043</b>	<b>15,428,159</b>
MAT Credit (b)	955,487	1,003,762
Net Deferred Tax Liability/(Assets) upto 31/03/2014 (a-b)	15,800,556	14,424,397
Less: Opening Deferred Tax Liabilities	14,424,397	13,952,005
Net Deferred Tax Liability/(assets) for the Current Year	<b>1,376,159</b>	<b>472,392</b>

## 5 Short Term Borrowings

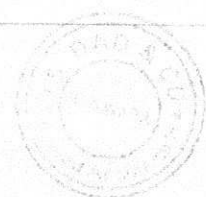
		₹
Particulars	Current Year	Current Year
Secured Loans		
Working Capital loan from Bank of Baroda	121,719,781	121,357,100
	<b>121,719,781</b>	<b>121,357,100</b>

### Notes and Terms & Condition of Loans:-

i	Working Capital Loan taken from Bank of Baroda of Rs. 1250 lacs, is secured by a charge in the nature of equitable Mortgage over Land & Building Situated at G-13,14, F-226,227 & G-228,229, 4th Phase RIICO Industrial area, Bhilwara & all Fixed Assets, present & future along with Exclusive First charge over all stock of Raw Material, Stock in Process, semi finished & finished goods, spares and stores, Consumables and Book Debts of the company.
ii	In addition to the above securities there is an equitable mortgage over Residential Plots situated at B-27, Bapu Nagar, Bhilwara in the name of Smt. Sangeeta Nuwal & B-28, Bapu Nagar, Bhilwara in the joint name of Smt. Sangeeta Nuwal, Smt. Kanta Devi Nuwal, Smt. Madhu Nuwal & Smt. Mamta Nuwal to Secure the Credit Facilities granted by BOB viz. CC Limit & Term Loan. All the aforesaid persons has also given their personal guarantees for loan with BOB upto Rs. 90.00 Lacs
iii	There is an hypothecation over 2 Life Insurance Policies of Rs. 5.00 Lacs each also in the name of Shri Anil & Shri Madhu Sucan Nuwal.
iv	In addition to the above Shri Jugal Kishore Nuwal has also given his personal guarantee to secure all the credit facilities granted by BOB.

## 6 Trades Payable

		₹
Particulars	Current Year	Previous Year
-Sundry Creditors for Material/Supplies:		
For Material	21,721,471	11,056,823
For Expenses & Others	15,232,227	18,104,950
For Capital Goods	-	140,189
	<b>36,953,698</b>	<b>29,301,962</b>



# Swagat Synthetics Private Limited

7 Other Current Liabilities					₹
	Particulars		Current Year	Previous Year	
	Current maturities of long-term Debt- Term Loan		12,400,000	12,400,000	
	Current maturities of Car Loan		419,568	-	
	Duties & Taxes Payable		1,583,905	1,222,751	
	Expenses Payable		3,992,936	3,866,592	
			18,396,409	17,489,343	
9 Long Term Loans and Advances					
	Particulars		Current Year	Previous Year	
	Other Loans & Advances				
	Security Deposits		2,141,544	2,141,544	
			2,141,544	2,141,544	
10 Other Non Current Assets					
	Particulars		Current Year	Previous Year	
	Secured : Considered Good				
	Fixed Deposit with Banks				
	(Pledge with Bank of Baroda against Guarantee)		650,246	562,455	
			650,246	562,455	
11 Inventories					
	Particulars		Current Year	Previous Year	
	Raw Material		47,750,719	40,928,040	
	Semi Finished Fabric		24,115,471	34,468,023	
	Finish Fabrics		85,383,215	85,356,663	
	Stores & Spares & packing Material		2,041,320	900,000	
	Land & Building (Real estate)		10,018,456	12,345,648	
			169,319,181	173,998,434	
<b>Method of Valuation of inventories:-</b> Raw Materials, stores & spares parts, work in process & finished goods are valued at the lower of cost & Net Realizable Value.					
12 Trade Reclevables					
	Particulars		Current Year	Previous Year	
	Outstanding for more than six months				
	Unsecured, Considered Good :		4,060,200	2,575,193	
	Others				
	Unsecured, Considered Good :		69,052,138	56,035,072	
			73,112,338	58,610,265	

# Swagat Synthetics Private Limited

Note 8

## FIXED ASSETS SCHEDULE & DEPRECIATION CALCULATION AS PER COMPANIES ACT 1956

S. NO.	PARTICULARS	GROSS BLOCK			DEPRECIATION				NET BLOCK	
		As on 01.04.2013	Addition	Deduction	As on 31.03.2014	Up to 31.03.13	For the Year	Deduction	As on 31.03.2014	As on 31.03.2013
1	Land	1,487,981			1,487,981				1,487,981	1,487,981
2	Building	22,337,452			22,337,452	7,406,397	746,071		14,382,984	15,129,055
3	Plant & Machinery Unit 1	138,279,747			138,279,747	30,411,506	10,260,357		97,607,884	107,868,241
	Plant & Machinery Unit 2	91,799,394		10,666,595	81,132,799	79,419,901		9,491,968	11,204,866	12,379,493
5	Plant & Machinery unit 2	26,183,587			26,183,587	13,847,559	1,942,822		10,393,206	12,336,028
6	Furniture & Fixtures	1,312,218	136,260		1,448,478	632,543	89,677		726,258	679,675
7	Vehicles	4,771,063	2,169,218	1,912,817	5,027,464	3,615,409	443,286	1,651,428	2,620,197	1,159,554
8	Computer	3,140,681	416,072		3,556,753	2,704,845	560,046		791,862	935,826
9	Office Equipment	904,606	388,377		1,292,983	418,959	56,012		818,012	485,647
10	Misc. Fixed Assets	1439,658			439,658	125,794	46,562		267,302	313,864
11	Office Building	26,827,681			26,827,681	224,041	437,291		662,332	26,603,640
	TOTAL	317,484,068	3,109,927	12,579,412	308,014,583	138,108,954	14,582,125	11,143,396	166,456,900	179,375,114
12	Factory Building(WIP)		5,028,114		5,028,114				5,028,114	
13	Advance Against P & M		33,263,600		33,263,600				33,263,600	
	TOTAL	317,484,068	41,401,641	12,579,412	346,306,297	138,108,954	14,582,125	11,143,396	204,758,614	179,375,114
	Previous Year's Figures	334,722,112	29,279,358	46,517,403	317,484,067	162,035,257	17,040,521	40,966,823	179,375,112	172,686,855





# Swagat Synthetics Private Limited

Notes Forming Integral Part of Financial Statement as at 31st March, 2014

## 13 Cash & Bank

Particulars	Current Year	Previous Year
<b>Cash in Hand</b>		
Cash Balance	1,120,712	247,800
<b>Sub Total (A)</b>	<b>1,120,712</b>	<b>247,800</b>
<b>Bank Balance</b>		
In Current A/c HDFC Bank Ltd.	1,129,162	1,149,511
In Current A/c with ICICI Bank Ltd.	1,000	1,000
In Current A/c with Bank of Baroda	37,777	15,202
In Current A/c with SB	-	3,583
<b>Sub Total (B)</b>	<b>1,167,939</b>	<b>1,169,296</b>
<b>Total [ A + B ]</b>	<b>2,288,651</b>	<b>1,417,096</b>

## 14 Short Terms Loans and Advances

Particulars	Current Year	Previous Year
<b>Loans &amp; Advances other than related parties</b>		
Advance Recoverable in cash or in kind or for value to be considered good	2,831,589	3,323,836
Interest receivable Under TUF Scheme	586,234	397,426
Excise Duty & cenvat Receivable	213,950	4,880,798
Income Tax Refundable	700,006	735,832
Prepaid Expenses	169,400	185,033
	<b>4,501,179</b>	<b>9,522,925</b>

## 15 Revenue from Operations

Particulars	Current Year	Previous Year
Fabrics Sales (Net)	557,279,262	472,543,722
Job Weaving Charges	44,168,700	50,402,695
Sale of Land/Flat	5,700,000	25,335,000
	<b>607,147,962</b>	<b>548,281,417</b>

## 16 Other Income

Particulars	Current Year	Previous Year
Insurance Claim Received	91,191	-
Interest Income	-	213,083
Profit on Sale of Machinery	813,984	-
	<b>905,175</b>	<b>213,083</b>

## 17 Cost of Material Consumed

Particulars	Current Year	Previous Year
<b>PURCHASES AND CONSUMPTION OF RAW MATERIALS</b>		
Opening Stock	40,928,040	21,432,664
Add: Purchase (Net)	233,952,303	203,239,098
Add: Freight	170,556	275,835
Less: Closing Stock	47,760,719	40,928,040
	<b>227,290,180</b>	<b>184,019,557</b>



# Swagat Synthetics Private Limited

18 Details of Purchase of Traded Goods				₹
	Particulars		Current Year	Previous Year
	Grey Fabric Purchase (Net)		6,287,760	8,643,152
	Finish Fabric Purchase (Net)		165,745,030	179,667,954
			172,032,790	188,311,106
19 Direct/ Production Overheads Expenses				
	Particulars		Current Year	Previous Year
	Stores & Spares Consumed		4,059,947	4,837,257
	Power & Fuel, Oil & Lubricants		20,666,353	20,305,563
	Repairs & Maintenance (Plant & Machinery)		456,288	480,407
	Other Manufacturing Exp.		177,951	3,982,191
	Design & Development Expenses		211,902	183,880
	Processing/ Job weaving Charges		39,197,018	34,098,294
	Development Charges		1,089,959	5,369,450
	Excise duty		4,001,582	6,232,897
			69,861,000	75,489,940
20 Change in Inventories				
	Particulars		Current Year	Previous Year
	Opening Stock :		132,170,394	113,441,543
	Finish Goods		85,356,663	62,442,836
	WIP		34,468,083	25,920,359
	Land [real estate]		12,345,648	25,078,348
	Closing Stock :		119,517,142	132,170,394
	Finish Goods		85,383,215	85,356,663
	WIP		24,115,471	34,468,083
	Land [real estate]		10,018,456	12,345,648
			12,653,252	(18,728,851)
21 Employment Benefit Expenses				
	Particulars		Current Year	Previous Year
	Salary & wages		26,680,436	21,753,622
	Contribution to Provident, Other Funds & Bonus		1,199,159	1,250,870
	Office Staff Salary & Other Benefits		5,459,108	5,721,300
	Director's Remuneration / Perquisites		2,988,000	2,988,000
			36,326,703	31,713,792
22 Financial Cost				
	Particulars		Current Year	Previous Year
	Interest on Cash Credit Facility		14,495,039	14,776,620
	Interest on Term loan		7,522,900	8,992,430
	Interest on Car loan			
	Interest on Other loans		7,321,928	9,560,921
			29,339,867	33,330,021



# Swagat Synthetics Private Limited

23 Depreciation & Amortization					₹
	Particulars		Current Year	Previous Year	
	Depreciation		14,582,125	17,040,520	
			14,582,125	17,040,520	
24 Other Expenses					
	Particulars		Current Year	Previous Year	
	<b>Establishment Expenses</b>				
	Repairs & Maintenance Vehicle		309,362	183,582	
	Telephone & Postage Expenses		344,993	741,746	
	Insurance Charges		392,283	299,366	
	Security Expenses		5,500	345,108	
	Computer Stationery & Repair Expenses		173,076	94,841	
	<b>Auditors Remuneration</b>				
	Audit Fees		27,000	27,000	
	Tax Audit Fees		10,000	10,000	
	Consultancy & Reimbursement Others		8,000	8,000	
	Conveyance & Travelling		35,967	36,503	
	Office & Other Expenses		313,289	411,248	
	Printing & Stationery		430,461	294,530	
	Service Tax		15,573	9,911	
	Donation		45,500	57,600	
	Legal & Professional Expenses		660,666	533,070	
	Bank Charges		953,013	88,870	
	Profit/Loss of sale of Plant & machinery/Vehicle			1,542,580	
	<b>Selling &amp; Distribution Expenses</b>				
	Rebate & Discounts		6,371,874	5,946,955	
	Sales Promotion Expenses ( Advertisement )		59,999	168,390	
	Sales Commission (Agency Commission)		6,892,051	5,190,674	
	Freight charges		725,223	374,656	
	Travelling Expenses		1,256,323	919,417	
	Packing Material Expenses		8,321,225	6,325,838	
	Sales Incentive		6,093,418	6,275,445	
	Advertisement & Pubcity		17,220	21,060	
			33,462,016	29,456,430	
25 Earning Per Share					
The calculation of Earning Per Share (EPS) has been made in accordance with Accounting Standard 20. A statement on calculation of Basic and Diluted EPS is as under:-					
	Particulars		Current Year	Previous Year	
	Net Profit after taxation		8,571,801	5,882,924	
	Weighted average number of Equity Shares		4,134,000	4,134,000	
	Add: Dilutive Potential Equity Shares				
	No. of Equity Shares for Dilutive EPS		4,134,000	4,134,000	
	Nominal Value of Shares in ₹		10	10	
	Basic Earning Per Shares in ₹		2.07	1.42	
	Diluted Earning Per Shares in ₹		2.07	1.42	

# Swagat Synthetics Private Limited

## 26 Related Party Disclosure

List of related Parties

### Key Managerial Personnel

Jagdish Prasad Nuwal

Chairman

Anil Kumar Nuwal

Director

Madhu Sudhan Nuwal

Director

### Relatives of Key Managerials Personnel

Jugal Kishore Nuwal

Director's Brother

Smt. Sangeeta Nuwal

Director's Wife

Smt. Madhu Nuwal

Director's Wife

Smt. Mamta Nuwal

Director's Wife

Smt. Sunita Laddha

Chairman Daughter

Smt. Kanta Devi Nuwal

Chairman Wife

### Other Related Parties

Jagdish Prasad Nuwal - HUF

Director's HUF

Anil Kumar Nuwal - HUF

Director's HUF

Madhu Sudhan Nuwal - HUF

Director's HUF

Sita Software Pvt. Ltd.

Associate Concern

Exclusive.Com Pvt. Ltd.

Associate Concern

Seezo Infotech Pvt. Ltd.

Associate Concern

		Key Managerial Personnel	Relatives of Key Managerials Personnel	Other Related Parties
b	<b>Transaction With Related Parties</b>			
	Sales	-	-	105,335,450
	<b>Expenditure</b>			
	Purchases	-	-	109,586,397
	Remunerations	2988000	996,000	-
	Interest	1772284	392,411	4,900,727
	Rent	-	-	-
	<b>Finance and Investments</b>			
	Loan Taken	39697000	5,075,930	59,422,971
	Loan Repayment Made	2443000	5,976,495	21,274,959
27	<b>Contingent Liabilities</b>		Current Year	Previous Year
	Claims against the Company not acknowledged as debt			
	Guarantee given in favour of President of India for import of Capital Goods under EPCG scheme at concessional rate of duty for manufacture of excisable goods.		447,417	447,417
	<b>Other Money for which the Company is contingently liable</b>			
	Bond executed in favour of President of India for import of Capital Goods under EPCG scheme at concessional rate of duty for manufacture of excisable goods.		1,918,372	1,918,372

# Swagat Synthetics Private Limited

## 28 Dues to Micro & Small Enterprises as defined under the MSMED Act 2006

The company has initiated the process of obtaining confirmations from the suppliers who have registered themselves under the Micro, Small and Medium Enterprises Development Act, 2006. Based on the information available with the Company, no balance is due to Micro & Small Enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006 as on 31st March 2014. Further during the year no interest has been paid or payable under the terms of the said Act as issued by the institute of chartered accountants of India.

## 29 Additional Information Pursuant to Provisions Provision of Paragraphs 3 & 4 of Schedule VI of the Companies Act, 1956 to the extent applicable to the company are as under (As certified & classified by the management): -

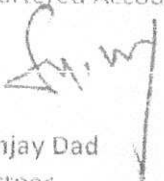

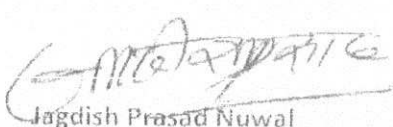
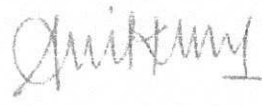
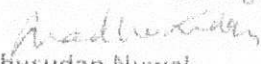
### Capacity & Production

Particulars			Current Year	Previous Year
<b>Installed Capacity</b>				
Looms	Nos.		92 Looms	96 Looms
<b>Production</b>				
Fabrics- Within Factory	Meter		8,520,382	9,062,774
Fabrics-From Outside On Job basis	Meter		-	-
<b>Materials Purchase</b>				
Yarn	Kg.		1,305,421	1,103,477
Fabrics	Amount		234,122,859	203,514,933
	Meter		1,801,611	1,741,106
	Amount		165,745,030	179,667,254
<b>Sales</b>				
Fabrics	Meter		5,622,458	4,656,187
	Amount		557,279,262	472,543,722
Flats	Amount		5,700,000	25,335,000
Fabrics- Job Billing	Meter		4,642,517	5,853,683
	Amount		44,168,700	50,402,695
<b>Closing Stock</b>				
Yarn	Kg.		267,611	227,378
Fabrics	Amount		47,760,719	40,928,040
	Meter		1,198,836	1,363,221
Fabrics- Job	Amount		108,975,806	119,126,786
	Meter		55,626	99,709
	Amount		522,881	697,960
<b>Opening Stock</b>				
Yarn	Kg.		227,378	141,069
Fabrics	Amount		40,928,040	21,432,664
	Meter		1,363,221	1,187,611
Fabrics-Job	Amount		119,126,786	87,374,780
	Meter		99,709	123,552
	Amount		697,960	988,415
<b>Consumption of Stores &amp; Spares</b>				
Imported	Amount			
Indigenous	Amount		4,059,947	4,837,257





# Swagat Synthetics Private Limited

30	The financial statements for the year ended 31st March, 2014 had been prepared as per the then applicable, pre-revised Schedule VI to the Companies Act, 1956. Consequent to the notification under the Companies Act, 1956, the financial statements for the year ended 31st March, 2014 are prepared under revised Schedule VI. Accordingly, the previous year figures have also been reclassified to conform to this year's classification
31	Significant accounting policies and practices adopted by the Company are disclosed in the statement annexed to these financial statements as Annexure I.
<b>As per Our report attached</b>	
<b>For S Dad &amp; Co.</b>	
Firm Regn No. 007534C	
Chartered Accountants	
	
<b>Sanjay Dad</b> Partner	
Membership No. 076334	
Bhilwara, September 6th, 2014	
<b>For and on Behalf of the Board</b>	
	
<b>Jagdish Prasad Nuwal</b> Chairman	<b>Anil Nuwal</b> Managing Director
	
<b>Madhusudan Nuwal</b> Director	



# Swagat Synthetics Private Limited

## Annexure I

### SIGNIFICANT ACCOUNTING POLICIES

#### Basis of Preparation of Financial Statements:

- The financial statements have been prepared under the historical cost convention in accordance with the generally accepted accounting principles in India and provisions of the Companies Act, 1956.
- Accounting policies not specifically referred to otherwise, have been followed consistently and are in consonance with generally accepted accounting principles.

#### Fixed Assets

- Fixed assets are stated at cost, net of Cenvat/ VAT, if any, less accumulated depreciation. Cost includes freight, duties and other incidental expenses incurred till the commencement of commercial production. Incidental expenses include establishment expenses, interest on borrowed funds used for capital expenditure and other administrative expenses.
- Capital Work in Progress includes incidental expenses pending allocation/ apportionment in respect of the uninstalled/ incomplete fixed assets.

#### Depreciation

Depreciation on Fixed Assets is provided on straight-line method at the rate and in manner prescribed in Schedule XIV to the companies Act, 1956 on pro-rata basis. Depreciation on addition/disposal is provided pro-rata with reference to the month of addition/disposal.

#### Revenue Recognition:

- Sale of good is recognized at the point of dispatch to customers.
- Other Incomes are accounted for on accrual basis except where the receipt of Income is uncertain.
- Insurance claims are accounted for in the year of lodgment to the extent they are measurable and any shortfall/excess is adjusted on receipt of the final claim.

#### Inventories

Inventories are valued at lower of cost or net realizable value, after providing for obsolescence and damages as follows (as taken, valued & certified by Management):

Raw Material, Packing Material & Stores and Spares	At cost, on FIFO/ weighted average basis.
Finished goods	At cost, plus appropriate production overheads, including excise duty paid/ payable on such goods if applicable.
Material in Process	At Cost, plus appropriate production overheads.

#### Retirement Benefits:

- Contribution to provident fund is accounted for on accrual basis. The Company makes contribution to provident fund plan administered by the Government of India.
- The liability in respect of gratuity & leave encashment has not been accounted as none of the employees have completed qualified period of service. The same will be accounted as & when ascertain/paid.

# Swagat Synthetics Private Limited

## Borrowing Cost:

Borrowing costs relating to acquisition/ construction of qualifying assets are capitalized until the time all substantial activities necessary to prepare the qualifying assets for their intended use are complete. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

## Taxes on Income

- a) Current tax has been provided as per the provision of Income Tax Act 1961.
- b) Tax expenses comprise of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Deferred tax reflects the impact of current year timing differences between book profit and taxable income for the year and reversal of timing differences of earlier years.

The deferred tax for timing differences between the book profit and taxable income for the year is accounted for using the tax rates and laws that have been substantially enacted as of the Balance Sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. If the company has carry forward unabsorbed depreciation and tax losses, deferred tax assets are recognized only to the extent there is virtual certainty supported by convincing evidence that sufficient taxable income will be available against which such deferred tax asset can be realized.

- c) Minimum Alternate Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Profit and Loss Account and shown as MAT Credit entitlement. The company reviews the same at each Balance Sheet date and write down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the company will pay normal income tax during specified period.

## Impairment of Assets (AS-28)

Factors giving rise any indication of any impairment of the carrying amount of the Company's assets are appraised at each Balance Sheet date to determine and provide/revert an impairment loss following accounting standard AS-28 for impairment of assets.

## Earning Per Share

Basic earning per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events of preferential issue allotment of equity shares. For the purpose of calculating diluted earning per shares, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.



# Swagat Synthetics Private Limited

## Cash Flow Statment

The Cash Flow Statement is prepared by the indirect method set out in Accounting Standard 3 on Cash Flow Statements and presents the cash flows by operating, investing and financing activities of the company. Cash and cash equivalents presented in the Cash Flow Statement consist of cash on hand and demand deposits with banks.

## Provisions, Contingent Liabilities and Contingent Assets

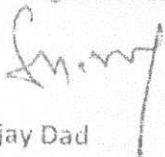
Provisions involving substantial degree of estimation in measurement are recognized when there is present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements

As per our Report on even date.

For S. Dad & Co.

Chartered Accountants

Firm Regd. No. 007534C



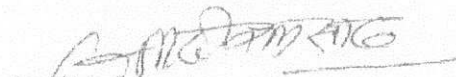

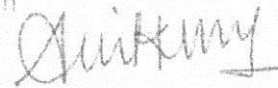
Sanjay Dad  
Partner

Membership No. 076334

Bhilwara, September 6<sup>th</sup>, 2014



For & on behalf of Board

  
Jagdish Prasad Nuwal  
Chairman  
Madhusudan Nuwal  
Director  
Anil Nuwal  
Director