



Board of Directors

CHAIRMAN

NAVINBHAI C. DAVE

DIRECTORS

NAGARDAS H. PANCHAL
SHOBHAN I. DIWANJI
RAJAT KUMAR DASGUPTA
PITAMBER S. TECKCHANDANI
DHIREN M. DESAI
GOPAL N. DAVE
PARESH V. MERCHANT
NIKHIL V. MERCHANT, Managing Director.

COMPANY SECRETARY

ARUN S. AGARWAL

SOLICITORS & ADVOCATES

C. R. NAIDU & CO.

AUDITORS

V. R. RENUKA & CO.

REGISTERED OFFICE

6, FELTHAM HOUSE, 2ND FLOOR,
10, J. N. HEREDIA MARG,
BALLARD ESTATE, MUMBAI - 400 001.
Tel.: 022-40587300. Fax: +91-22-40587360.
Email: swan@swan.co.in

101th ANNUAL GENERAL MEETING

on Thursday, the 24th September, 2009
at 11-30 p.m. at Walchand Hirachand Hall,
Indian Merchant Chamber Building,
4th Floor, IMC Marg, Churchgate,
Mumbai - 400 020.

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NOTICE

Notice is hereby given that the One Hundred Oneth Annual General Meeting of the Company will be held at Walchand Hirachand Hall, 4th Floor, Indian Merchant Chamber Building, IMC Marg, Churchgate, Mumbai 400 020 on Thursday, 24th September, 2009 at 11.30 A.M. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at March 31st, 2009 and Profit and Loss Account for the year ended on March 31st, 2009 and the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. *Navinbhai C. Dave*, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. *Pitamber S. Tekchandani*, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. *Shobhan I. Diwanji*, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint M/s. V. R. Renuka & Company, Chartered Accountants, Mumbai as Statutory Auditors of the Company, to hold office from the conclusion of this Annual general Meeting until the conclusion of the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration for the year ending 31st March, 2010.

SPECIAL BUSINESS

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

“RESOLVED THAT in terms of Article 125 of the Articles of Association of the Company and pursuant to the provisions of Sections 198, 269, 309, 310, 311 and other applicable provisions of the Companies Act, 1956 (the Act), read with Schedule XIII of the Act and subject to such approvals, permissions and sanctions, as may be required, approval of the Company be and is hereby accorded to the re-appointment of Mr. Nikhil V. Merchant as Managing Director of the Company for a period of five years with effect from 1st September, 2009 on the remuneration not exceeding Rs. 24 Lakhs per annum and other benefits as per the Rules of the Company, as may be agreed to between the Board of Directors and Mr. Nikhil V. Merchant.

RESOLVED FURTHER THAT notwithstanding anything herein above stated, where in any financial year closing on and after March 31, 2010, the Company has no profits or its profits are inadequate, the Company



shall pay to Mr. Nikhil V. Merchant the remuneration as mentioned above, as per the provisions of Section II of part II of Schedule XIII of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof, for the time being in force), or such other limits as may be prescribed by the Government from time to time as minimum remuneration.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to vary, alter or modify the different components of the stated remuneration as may be agreed to by the Board of Directors and Mr. Nikhil V. Merchant.

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

“RESOLVED THAT in terms of Article 125 of the Articles of Association of the Company and pursuant to the provisions of Sections 198, 269, 309, 310, 311 and other applicable provisions of the Companies Act, 1956 (the Act), read with Schedule XIII of the Act and subject to such approvals, permissions and sanctions, as may be required, approval of the Company be and is hereby accorded to the appointment of Mr. Paresh V. Merchant as Executive Director of the Company for a period of five years with effect from 1st September, 2009 on the remuneration not exceeding Rs. 24 Lakhs per annum and other benefits as per the Rules of the Company, as may be agreed to between the Board of Directors and Mr. Paresh V. Merchant.

RESOLVED FURTHER THAT notwithstanding anything herein above stated, where in any financial year closing on and after March 31, 2010, the Company has no profits or its profits are inadequate, the Company shall pay to Mr. Paresh V. Merchant the remuneration as mentioned above, as per the provisions of Section II of part II of Schedule XIII to the Companies Act, 1956 (including any statutory modifications or re-enactment thereof, for the time being in force), or such other limits as may be prescribed by the Government from time to time as minimum remuneration.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to vary, alter or modify the different components of the stated remuneration as may be agreed to by the Board of Directors and Mr. Paresh V. Merchant.

By Order of the Board of Directors
For Swan Energy Limited

Arun S. Agarwal
Company Secretary

Date: 11th August, 2009
Place: Mumbai



NOTES:

1. The Register of Members and Share Transfer books of the Company will be closed from 19-09-2009 to 24-09- 2009 (both days inclusive) for the purpose.
2. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of Special Business as per Item No. 6 and 7 herein above is annexed hereto.
3. MEMBERS ENTITLED TO ATTEND AND VOTE ARE ENTITLED TO APPOINT A PROXY TO VOTE INSTEAD OF HIMSELF. A PROXY NEED NOT BE A MEMBER.
4. Proxies, in order to be effective, must be received at the Registered Office of the Company not less than forty-eight hours before the Annual General Meeting.
5. Members/Proxies should bring the attendance slip sent herewith, duly filled in, for attending the meeting.
6. Only Registered Members carrying the Attendance Slip and the holders of valid proxies registered with the Company will be permitted to attend the meeting.
7. Members holding shares in physical form are requested to intimate Registrar and Transfer Agents of the Company viz., M/s Purva Sharegistry (India) Pvt. Ltd., Unit: Swan Energy Limited, 9, Shiv Shakti Ind Estate, J.R. Boricha Marg, Lower Parel, Mumbai – 400 011, changes, if any, in their Bank details, registered address, etc. along with their Pin Code. Members holding shares in electronic form may update such details with their respective Depository Participants.
8. Members are requested to quote Ledger Folio No. in all their correspondence.
9. Re-appointment of Directors:
Mr. Navinbhai C. Dave, Mr. Pitamber S. Tekchandani and Mr. Shobhan I. Diwanji retire by rotation and being eligible, offer themselves for re-appointment.
The information required to be provided under the Listing Agreement in respect of Directors being re-appointed is given herein below:

Name of the Director	Brief resume and nature of expertise in functional area	Other Directorships	Shareholding
Mr. Navinbhai C. Dave	Eminent industrialist and public personality, social oriented philanthropist and Educationist	Nil	Nil
Mr. Pitamber S. Tekchandani	A graduate in Mechanical Engineering with experience of 45 years in the Oil and Gas industry, both in public and private sectors.	Nil	Nil
Mr. Shobhan I. Diwanji	B.A. in Economics and MBA in Finance from USA with wide experience in financing and structuring.	Nil	

By Order of the Board of Directors
For Swan Energy Limited

Arun S. Agarwal
Company Secretary

Date: 11th August, 2009
Place: Mumbai



EXPLANATORY STATEMENT PURSAUNT TO SECTION 173(2) OF THE COMPANIES ACT, 1956:-

Item No. 6:

Mr. Nikhil V. Merchant was appointed as Managing Director of the Company as per the directives of BIFR. Since then, under his leadership, experience and expertise, the Company has attained its glory to a great extent and commands a respectable position in the industrial circle today.

The Board of Directors of the Company has unanimously approved his re-appointment as Managing Director and payment of remuneration to him, subject to approval of the shareholders of the Company. The Resolution at item no. 6 of the Notice is being proposed for the consideration of the Members of the Company.

Your Directors recommend the said resolution for your approval.

None of the Directors, except, Shri Navinbhai C. Dave, Shri Gopal N. Dave, Shri Nikhil V. Merchant and Shri Paresh V. Merchant, are, in any way, concerned or interested in the said resolution.

Item No. 7:

Mr. Paresh V. Merchant was appointed as a Director of the Company and since then, he has been actively involved in the affairs of the company. He has, with his experience and expertise, contributed immensely towards the turnaround of the company.

The Board of Directors of the Company has unanimously approved his appointment as Executive Director and payment of remuneration to him, subject to approval of the shareholders of the Company. The Resolution at item no. 6 of the Notice is being proposed for the consideration of the Members of the Company.

Your Directors recommend the said resolution for your approval.

None of the Directors, except, Shri Navinbhai C. Dave, Shri Gopal N. Dave, Shri Nikhil V. Merchant and Shri Paresh V. Merchant, are, in any way, concerned or interested in the said resolution.

By Order of the Board of Directors
For Swan Energy Limited

Arun S. Agarwal
Company Secretary

Date: 11th August, 2009

Place: Mumbai



DIRECTORS' REPORT:

Your Directors have the pleasure to present herewith their 101th Annual Report with Audited Statement of Accounts for the year ended on 31.3.2009. The operating results are as under:

Financial Results

	For the year ended on 31.3.2009 Rs. in lacs	For the year ended on 31.3.2008 Rs. in lacs
Gross Profit/(Loss) before interest & depreciation	4443.21	2451.41
Less: Interest	673.14	0.91
: Depreciation	20.28	41.13
Profit/(Loss) before Tax	3749.79	2409.37
Less: Provision for Taxation	588.38	282.91
Net Profit(Loss) /Income for the year	3161.41	2126.46

Dividend

With a view to ensure timely completion of the ongoing development projects and conserve the resources for future business plans, no dividend is recommended for the year.

Operations

During the year, your company has carried out business activities of trading in fabrics and your company's development activities at Sewree and Kurla are well under progress. The Mega residential complex is under construction at Sewree under the name 'Ashok Garden, comprising of four towers, is 70% complete. At Kurla, Commercial complex are under construction, having four buildings under the name 'Peninsula Techno-park'. Possession of two out of four buildings has been handed over on completion of the construction. The Company expects to complete the construction at both the sites by the end of financial year 2010-11.

FUTURE PLANS

A) ENERGY SECTOR

The proposed plan of partnership/joint venture with Gujarat Government for CDM power project is at advanced stage and is likely to be finalized before 3rd quarter of current financial year 2009-10.

B) REALESTATE DEVELOPMENT

In addition to the on going real estate development activities in Mumbai, the acquisition of land at Goa has been completed and your Company is considering development of the said property shortly.

C) TEXTILE

Setting up of textile manufacturing unit at Ahmedabad, Gujarat is under process and the unit is expected to start functioning commercially by the end of the financial year 2009-10.

Directors

Shri Navinbhai C.Dave, Shri Pitamber S. Tekchandani and Shri Shobhan I. Diwanji, retire by rotation and being eligible, have offered themselves for re-appointment.

It is proposed to re-appoint Shri Nikhil V. Merchant as a Managing Director of the Company, for a period of five years from 1st September, 2009, subject to approval of the shareholders at the ensuing Annual General Meeting.

It is proposed to appoint Shri Pares V. Merchant as a Executive Director of the Company, for a period of five years from 1st September, 2009, subject to approval of the shareholders at the ensuing Annual General Meeting.

Auditors

The Members are requested to appoint Auditors for the current year and authorize the Board of Directors to fix their remuneration. The retiring Auditors M/s. V. R. Renuka & Co., Chartered Accountants, being eligible, offers themselves for re-appointment.



Auditors' Report

Report of the auditors read with the notes on accounts is self-explanatory and need no elaboration.

Particulars of Employees

There are no employees drawing remuneration in excess of limits prescribed under the amended Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975

Corporate Governance

A report on the Corporate Governance along with a certificate from the Auditors of the Company regarding the compliance of the conditions of the Corporate Governance as stipulated under Clause 49 of the Listing Agreement is annexed to this report.

Directors' Responsibility Statement

Pursuant to Section 217 (2AA) of the Companies (Amendment) Act, 2000, on the basis of information placed before them, the Directors confirm that:

- i. In the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- ii. Appropriate accounting policies have been selected and applied consistently, and the judgments and estimates that have been made 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 2009 and of the profit of the Company for the said period;
- iii. Proper and sufficient care has been taken for the maintenance of the adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safe guarding the assets of the Company and for preventing and detecting fraud and other irregularities,
- iv. The annual accounts have been prepared on a going concern basis.

Conservation of energy, technology absorption and foreign exchange earnings and outgo:

The Company is now engaged in only trading and service activities and consequently information in accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 regarding Conservation of Energy, Technology absorption are not being applicable

Foreign Exchange Earnings and Outgo.

During the year under review	-	Earnings	-	-
		Outgo	-	Rs. 3.70 Lakh

Subsidiary

The Company does not have any subsidiary.

Appreciation

The Directors place on record their appreciation of support and timely assistance from Financial Institutions, Banks, Government Authorities as well as Shareholders who have extended their valuable support to the Company.

The Directors also wish to appreciate sincere and dedicated efforts and services by all the employees/staff.

For and On behalf of the Board of Directors

Registered Office:
6, Feltham House, 2nd Floor,
10, J. N. Heredia Marg,
Ballard Estate,
Mumbai - 400 001.
Dated: 11th August, 2009

Navinbhai C. Dave
Chairman



REPORT ON CORPORATE GOVERNANCE:

1 A BRIEF STATEMENT ON THE COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

Corporate Governance is the system by which Companies are directed and controlled by the management in the best interest of the Shareholders and others, thereby ensuring greater transparency, better and timely financial reporting, generating long term economic value for its Shareholders.

Your Company has incorporated the sound Corporate Governance practices by laying emphasis on transparency, accountability and integrity in all its operations and dealings with outsiders.

2 BOARD OF DIRECTORS:

As on 31st March, 2009, the Company's Board comprised nine members, out of whom four are Non-Executive/Non-Independent and five are Non-Executive/independent Directors. The composition of the Board meets with the requirements of the Clause 49 of the Listing Agreement.

Your Company held five Board meetings during the year on 30-04-2008, 31-07-2008, 08-08-2008, 31-10-2008 and 30-01-2009.

The required details of the Board of Directors as on 31st March, 2009 are as under:-

Name of the Director	Category	No. of meetings held	No. of meetings attended	Whether attended last AGM	No. of outside directorships held (*)	Member ship in Committes (**)	Chairman ship in Committes (**)
Navinbhai C. Dave Chairman	Non-Executive Non-Independent	5	5	Yes	—	1	—
Nikhil V. Merchant Managing Director	Non-Executive Non-Independent	5	5	Yes	—	—	—
Paresh V. Merchant	Non-Executive Non-Independent	5	5	Yes	—	1	—
Gopal N. Dave	Non-Executive Non-Independent	5	5	Yes	—	1	—
Nagardas H. Panchal	Non- Executive/ Independent	5 5	5 5	Yes No	— —	3 2	3 —
Mr. Shobhan I. Diwanji	Non- Executive/ Independent						
Mr. Rajat kumar Das Gupta	Non- Executive/ Independent	5	5	No	—	—	—
Mr. Pitamber S. Teckchandani	Non-Executive/ Independent	5	5	Yes	—	—	—
Mr. Dhiren M. Desai	Non-Executive/ Independent	5	5	Yes	—	1	—

* (Excluding alternate Directorship and Directorship in private limited companies, foreign companies and section 25 companies)

** Committees considered are Audit Committee and Shareholders' Grievance Committee including that of Swan Energy Limited.

3 BOARD - LEVEL COMMITTEES:

The Company has three Board level committees, namely;

- a) Audit Committee.
- b) Shareholders'/Investors' Grievances Committee.
- c) Remuneration Committee.

a) Audit Committee:

The Audit Committee of the Company consists of qualified and non-executive Directors. It comprises of Mr. N. H. Panchal, (Chairman & independent Director), Mr. G. N. Dave and Mr. Shobhan I. Diwanji. The Committee met five times during the year 2008-09 on 30-04-2008, 31-07-2008, 08-08-2008, 31-10-2008 and 30-01-2009.



The Audit Committee held discussions with the statutory auditors on the "Limited Review" of the quarterly and half-yearly accounts, final accounts, matters relating to compliance of accounting standards, their observations arising from the annual audit of the Company's accounts and other related matters.

b) Shareholders'/Investors' Grievances Committee:

The Shareholders'/Investors' Grievances Committee comprising Mr. N. H. Panchal (Chairman & independent Director), Mr. P. V. Merchant, and Mr. N. C. Dave has been constituted for redressing shareholders and investors' complaints. Mr. Arun S. Agarwal, Company Secretary has been designated as Compliance Officer. During the year, company has received 42 complaints from the shareholders, which were duly resolved/replied.

Delivery of equity shares of the company by all investors/shareholders is now mandatory in the dematerialized form in the Stock Exchange.

c) Remuneration Committee:

The Remuneration Committee comprises of three independent Directors, namely, Mr. N. H. Panchal (Chairman), Mr. Shobhan I. Dewahji, and Mr. Dhiren M. Desai. The terms of reference of Remuneration Committee, inter-alia, consists of recommendation for appointment/re-appointment of Managing Director, Executive Director/s, determination and recommendation of terms of remuneration payable to Executive Director. The Committee did not meet during the financial year 2008-09.

4 REMUNERATION OF DIRECTORS

During the year under review, no remuneration was paid to Directors. However, the Board of Directors have proposed resolution for re-appointment of Mr. Nikhil V. Merchant as Managing Director and appointment of Mr. Paresh V. Merchant as Executive Director with effect from 1st September, 2009, as recommended by the Remuneration Committee in its meeting held on 11-08-2009.

5 GENERAL BODY MEETING

Date, Time and venue for the last three annual general meetings are given below:

Financial Year ended	Date	Time	Venue
31 March 2006	19.09.2006	10.00 A.M.	Ashoka Hall, Arcadia, NCPA Marg, Nariman Point, Mumbai – 400 021.
31 March 2007	24.09.2007	12.15 P.M.	Walchand Hirachand Hall, IMC Building, Churchgate, Mumbai – 400 020.
31 March 2008	24.09.2008	12.15 P.M.	Walchand Hirachand Hall, IMC Building, Churchgate, Mumbai – 400 020.

6 DISCLOSURE BY MANAGEMENT TO THE BOARD

All disclosures relating to financial and commercial transactions where directors may have a potential interest are provided to the Board, and the interested Directors do not participate in the discussion nor do they vote on such matters.

7 CEO/CFO CERTIFICATION

As required under Clause 49 V of the Listing Agreement with the Stock Exchange, the Managing Director of the Company have certified to the Board regarding their review on the Financial Statements, Cash flow statements and matters related to internal controls etc. in the prescribed format for the year ended 31st March, 2009.

8 MEANS OF COMMUNICATION

The quarterly results are published in the newspapers. The company currently does not have a website. Official news releases are sent to the Stock Exchange.

9 SHAREHOLDER INFORMATION

- 1 Annual General Meeting
Date : 24th September, 2009
Time : 11.30 A.M.
Venue : Walchand Hirachand Hall, 4th Floor, IMC Building, Churchgate, Mumbai – 400 020.
- 2 Financial Calendar
Financial reporting for



Quarter ending Sept 30 2009	:	End of October 2009
Quarter ending Dec 31 2009	:	End of January 2010
Quarter ending March 31 2010	:	End of April 2010
Annual General Meeting for the year ended March 31 2010	:	End of September 2010
3 Dates of Book closure	:	19-09-2009 to 24-09-2009 (both days inclusive)
4 Dividend payment date	:	Not Applicable
5 Listing on Stock Exchange at	:	Bombay Stock Exchange Limited The Calcutta Stock Exchange Asso. Ltd.
6 Demat ISIN Number	:	INE665A01020
7 Stock Market Data	:	

Year 2008-09	Bombay Stock Exchange*	
	High	Low
April, 08	73.50	49.45
May, 08	65.95	50.00
June, 08	52.60	35.05
July, 08	43.10	29.00
August, 08	69.80	45.25
September, 08	63.50	43.30
October, 08	51.45	34.45
November, 08	50.65	34.25
December, 08	54.70	32.10
January, 09	53.75	41.90
February, 09	53.00	42.05
March, 09	54.40	37.10

* Source: Website of Bombay Stock Exchange Limited (www.bseindia.com)

10 Registrar and Share Transfer Agent

Purva Sharegistry (India) Limited, Gala No. 9, J.R. Borika Marg, Shivshakti industrial Estate, Lower Parel, Mumbai – 400 011. Tel.: 23016761/23018261. Fax: 2301 2517

11 Share Transfer Systems

Share Transfers are registered and returned within a period of 30 days from the date of receipt, if the documents are clear in all respects. The power to approve transfer of securities has been delegated by the Board of Directors to the Shareholders'/ Investor Grievance and Share Transfer Committee, which meets once in a fortnight.

12 Distribution of Shareholding (as on 31.03.2009)

No. of shareholders	% of Shareholders		No. of Shares held	% of shareholding
1-5,000	9,612	96.84	25,38,481	2.67
5,001-10,000	155	1.56	5,74,785	0.61
10,001-20,000	78	0.79	5,79,284	0.61
20,001-30,000	21	0.21	2,62,964	0.28
30,001-40,000	10	0.10	1,73,326	0.18
40,001-50,000	8	0.08	1,80,571	0.19
50,001– 1,00,000	11	0.11	3,96,212	0.42
1,00,001 and above	32	0.31	9,02,94,377	95.05
Total	9,926	100.00	9,50,00,000	100.00



13 Categories of Shareholders (as on 31.03.2009)

	No. of Shares held	% of Shareholdings
Promoters & associates	7,68,75,429	80.92
Mutual funds and UTI	0	0.00
Banks, Fin. Institutions	54,650	0.06
Insurance Companies	7,11,150	0.75
Foreign Institutional Investors	30,26,785	3.19
Bodies Corporate	97,53,020	10.27
Indian Public	44,64,984	4.70
NRIs	1,12,532	0.12
Trusts	1,450	0.00
Total	9,50,00,000	100.00

The stock code on BSE is 50 3310

14 Dematerialisation of shares and liquidity

Your Company's shares are traded compulsorily in dematerialized form at Bombay Stock Exchange. Approximately, 98.80% of the equity shares of your Company have been dematerialized upto 31st March 2009.

15 Address of the correspondence

Swan Energy Limited : 6, Feltham House, 2nd Floor, 10, J.N. Heredia Marg, Ballard Estate, Mumbai 400 001. Phone: 022-40587300. Fax: +91-22-40587360. Email: swan@swan.co.in

16 Management Discussion and Analysis Report:

At present, the Company's main business is developing and marketing of its properties. The philosophy of the company is to follow best practices in property development. The property of the company at Sewree, Mumbai is being developed as a reputed residential complex, whereas the property at Kurla, Mumbai is being developed as a commercial complex. The developmental activities of the property has resulted good results for the company. After earlier downturn trends in all the sectors of economy, there are symptoms of stability and revival in the market. It is expected that infrastructure sector will offer exciting opportunities in future. The company has plans for commercial development of land acquired in Goa.

The Company has made advances in the proposed ventures in the energy sector with the Gujarat Government and it is expected that Energy sector is going to be its core business area in the near future.

Setting up of Textile Manufacturing unit at Ahmedabad is at advanced stage, which is likely to be operational in the current year.

The Company has adequate and appropriate internal audit controls, checks and balances to ensure that all transactions are adequately authorized, accounted and disclosed properly. Audit Committee of the Board regularly reviews all such controls.

DECLARATION BY THE CEO

As provided under Clause 49 of the Listing Agreement with the Stock Exchange, I, Nikhil V. Merchant, Managing Director of the Company declare that all the Board Members and the senior Management Employees of the Company have affirmed compliance with the code of conduct for the year ended 31st March, 2009.

For and on behalf of Board of Directors

Place: Mumbai
Date: 11th August, 2009

Nikhil V. Merchant
Managing Director



Auditors Certificate on Corporate Governance

To the members of Swan Energy Limited,

We have examined the records concerning the company's compliance of the conditions of Corporate Governance as stipulated in clause 49 of the Listing Agreement entered into by the Company with the Stock Exchange of India for the financial year ended on March 31, 2009.

The objective of our examinations is to give our opinion on whether the Company has complied with the conditions of Corporate Governance as stipulated in the provisions of clause 49 of the Listing Agreement entered into by the Company with the Stock Exchange of India.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have conducted our examination on the basis of the relevant records and documents maintained by the company and furnished to us for examination and the information and explanations given to us by the company.

Based on such examination, in our opinion, the company has complied with Clause 49 of the Listing Agreement of the Stock Exchange.

We further state that, such compliance is neither an assurance as to the future viability of the Company, nor to the efficiency or effectiveness with which the management has conducted the affairs of the company.

Mumbai,
11th August, 2009

For V. R. Renuka & Co.
Chartered Accountants

V.R.Renuka
Proprietor
M. No. 32263



Auditors' Report to the Members of Swan Energy Limited

We have audited the attached Balance Sheet of SWAN ENERGY LIMITED as at 31st March 2009 and the Profit and Loss Account and also the Cash Flow Statement of the Company for the year ended 31st March 2009, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditor's Report) Order 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act 1956 and on the basis of such checks of the books and records as we consider necessary and appropriate and according to the information and explanations given to us during the course of audit, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
3. Further to our comments in the Annexure referred to above, 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 accounts as required by law subject to clause i (a) of annexure to the auditors report have been kept by the Company so far as it appears from our examination of the books.
 - c. The Balance Sheet, the Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account and returns;
 - d. In our opinion, the Balance Sheet, the Profit and Loss Account and Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards (AS) referred to in Section 211 (3C) of the Companies Act, 1956, except provision for contingent liabilities refer Schedule 12 B-4.
 - e. On the basis of information and explanations given to us and representations received from the directors of the company and taken on record by the Board of Directors, we report that no director is disqualified from being appointed as director of the company under clause (g) of sub section (1) of section 274 of the companies Act, 1956.
4. Subject to non-disclosure of the amounts payable to Small Scale Industrial Undertakings (Refer Schedule 12 B- 7) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and subject to the matters referred in d above, give a true and fair view:
 - (a) in the case of the Balance Sheet, of the state of the Company's affairs as at 31st March, 2009;
 - (b) in the case of the Profit & Loss Account, of the profit of the Company 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.

For **V. R. Renuka & Co.**
Chartered Accountants

V. R. Renuka
Proprietor

Mumbai, 11th August 2009



Annexure to the Auditors' Report

(Referred to in Paragraph (3) of our Report of even date)

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) According to the information and explanation given to us, the company has formulated the regular programme of verification by which all the assets of the company shall be verified in a phase manner, which in our opinion, is reasonable having regard to the size of the company and nature of its assets.
- (ii) (a) As explained to us the management has conducted physical verification of traded items at reasonable intervals during the year. In respect of land as stock in trade, we are informed that verification has been conducted as to the area and title of the land
 - (b) In our opinion and according to the information and explanation given to us, the procedure of physical verification of traded items and stock in trade followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
 - (c) On the basis of examination of inventory records, in our opinion, the company has maintained proper records of inventory, the discrepancies noticed on verification between the physical stock and book records were not material and the same has been properly dealt with in the books of accounts.
- (iii) (a) During the year, the company has availed unsecured loan amounting to Rs. 2670.00 lacs to a company covered in the register maintained U/s. 301 of the Companies Act.
 - (b) The rate of interest and other terms and conditions of loan taken by the company are not prima facie prejudicial to the interest of the company, repayment is regular.
 - (c) The company has not granted any loans secured or unsecured from Companies, firms or other parties listed in the register maintained U/s. 301 of the Companies Act 1956.
- (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 for the purchase of inventory/material, fixed assets and for the sale of goods/flats/offices and services Further on the basis of our examination of books and records of the company and according to the information and explanation given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control procedures.
- (v) In our opinion and according to the information and explanations given to us, there are no transactions of purchase of goods and materials and sale of goods, materials and services aggregating during the period to Rs. 5, 00,000 or more in respect of each party, in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956.
- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the Public to which the directives issued by the Reserve Bank of India and provisions of Section 58A and Section 58AA of the companies Act 1956 and the rules made there under are applicable
- (vii) In our opinion, the Company has an Internal Audit System commensurate with the size and nature of its business.
- (viii) As informed to us, since the Company has not undertaken any manufacturing activity in respect of textile products, the maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956, is not required.



- (ix) According to the information and explanation provided to us, the company is generally regular in depositing with appropriate authorities undisputed statutory dues including Investor education and protection fund, Income Tax, Sales Tax, Wealth tax, Excise duty, Cess and other material statutory dues applicable to it.
- (x) As at the balance sheet date, the company's accumulated loss does not exceed fifty percent of its net worth within the meaning of section 2 (29) of the companies act, 1956. The company has not incurred cash losses during the year under report, and has also not incurred cash loss in the preceding financial year.
- (xi) According to the information and explanations given to us the company has not defaulted in repayment of dues to banks and financial institutions during the year.
- (xii) 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, debenture and other securities.
- (xiii) According to the information and explanations given to us and 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 order are not applicable to the company.
- (xiv) According to the information and explanations given to us the company has not dealt in or traded in any shares, securities, debentures and other investments during the year. The amount invested in the earlier year has been realized and proper records have been maintained of the transactions and timely entries have been made therein.
- (xv) According to the information and explanations given to us, the company has not given any guarantee
- (xvi) In our opinion and according to the information and explanation given to us, the company had applied the terms loans for the purpose for which the loan was obtained.
- (xvii) In our opinion and according to the information and explanation given to us and on an overall examination of the balance sheet and cash flow statement of the company, we report that no funds raised on the short term basis have been utilized for long term investment and vice-versa.
- (xviii) According to the information and explanations given to us, the company had not made any preferential allotment of shares to parties and companies covered in the register maintained U/s. 301 of the Companies act 1956
- (xix) According to the information and explanations given to us, the company has not issued any secured debentures, therefore the provision of clause (xix) of the order are not applicable to the company.
- (xx) During the period covered by our audit report, the company has not raised any money by way of public issue, therefore the provision of clause (xx) of the order are not applicable to the company.
- (xxi) To the best our knowledge and belief, according to the information and explanation given to us and based on the audit procedures performed, we report that no material fraud on or by the company has been noticed or reported during the course of our audit.

For V. R. Renuka & Co.
Chartered Accountants

V. R. Renuka
Proprietor

Mumbai, 11th August 2009



Balance Sheet as at 31st March, 2009

			As at 31.3.2008
	Schedule	Rupees in lacs	Rupees in lacs
I. SOURCES OF FUNDS			
1. Shareholders' Funds			
Share Capital	1	1,914.25	1,914.25
Reserves & Surplus	2	<u>6,768.09</u>	<u>3,606.68</u>
			<u>8,682.34</u>
2. Loan Funds			
Secured	3		4,754.61
			15,132.57
Total			<u><u>13,436.95</u></u>
			<u><u>20,653.50</u></u>
II. APPLICATION OF FUNDS			
1. Fixed Assets			
Gross Block	4	3,305.68	1,188.03
Less : Depreciation		<u>138.09</u>	<u>117.80</u>
Net Block		3,167.59	1,070.23
Add : Capital Work-in-Progress & Advances		<u>745.64</u>	<u>942.16</u>
			3,913.23
			2,012.39
2. Investments			
	5		2,769.42
			1,014.00
3. Net Current Assets			
Current Assets, Loans & Advances	6	42,386.74	44,267.45
Less : Current Liabilities & Provisions	7	<u>35,610.55</u>	<u>26,619.85</u>
			6,776.20
			17,647.60
4. Miscellaneous Expenditure			
Deferred Tax Assets/(Liabilities)			(21.90)
			(20.49)
Total			<u><u>13,436.95</u></u>
			<u><u>20,653.50</u></u>
Accounting Policies and Notes to the Accounts	12		

As per our Report of even date attached

On behalf of Board of Directors

For V. R. RENUKA & CO.
Chartered Accountants

NAVINBHAI C. DAVE
Chairman

NIKHIL V. MERCHANT
Managing Director

V. R. RENUKA
Proprietor
M. No. 32263

ARUN S. AGARWAL
Company Secretary

Mumbai, 11th August, 2009

Mumbai, 11th August, 2009



Profit & Loss Account
For the Year Ended 31st March, 2009

	Schedule	Rupees in lacs	Rupees in lacs	Year ended 31.3.2008 Rupees in lacs
INCOME :				
Sale of Products and Other Income	8	21,963.56		7,295.69
Add : Variation in Stock in Trade	9	1,398.46		7,417.05
			23,362.02	14,712.74
EXPENDITURE :				
Purchase and Other Expenses	10	18,918.82		12,261.33
Depreciation		20.28		41.13
Interest and Financial Charges	11	673.14		0.91
			19,612.23	12,303.37
Profit for the year before Tax			3,749.79	2,409.37
Provision for Taxation		588.38		282.91
			588.38	2,126.46
Transferred to				
Reserves & Surplus account (Profit & Loss)			3,161.41	2,126.46
Accounting Policies and	12			
Notes to the Accounts				

As per our Report of even date attached

On behalf of Board of Directors

For V. R. RENUKA & CO.
Chartered Accountants

NAVINBHAI C. DAVE
Chairman

NIKHIL V. MERCHANT
Managing Director

V. R. RENUKA
Proprietor
M. No. 32263

ARUN S. AGARWAL
Company Secretary

Mumbai, 11th August, 2009

Mumbai, 11th August, 2009



**Schedules forming part of the Balance Sheet
As at 31st March, 2009**

	As at 31.03.2009 Rupees in lacs	As at 31.03.2008 Rupees in lacs
SCHEDULE "1"		
SHARE CAPITAL		
AUTHORISED		
15,000 11% Cumulative Redeemable Preference Shares of Rs.100 each	15.00	15.00
10,000 11% Cumulative Preference Shares of Rs. 100 each	10.00	10.00
9,50,00,000 Equity Shares of Rs. 2 each	1900.00	1900.00
	<u>1925.00</u>	<u>1925.00</u>
ISSUED AND SUBSCRIBED		
9,250 11% Cumulative Redeemable Preference Shares of Rs.100 each fully paid up. Redeemable at par after giving three month's notice.	9.25*	9.25*
5,000 11% Cumulative Preference Shares of Rs.100 each fully paid up.	5.00	5.00
9,50,00,000 Equity Shares of Rs. 2 each fully paid up.	1900.00	1900.00
Of the above, the following Shares were allotted for consideration other than cash :		
1) 2,00,000 Equity Shares of Rs. 2 each fully paid up pursuant to a contract.		
2) 66,20,000 Equity Shares allotted as fully paid up Bonus Shares by way of Capitalisation of Reserves.		
3) 9,250 11% Cumulative Redeemable Preference Shares of Rs. 100 each fully paid up and 20,00,000 Equity Shares of Rs. 2 each fully paid up in terms of the Scheme of Amalgamation of the Jubilee Mills Ltd. with the Company.		
4) 24,80,000 Equity Shares of Rs. 2 each fully paid up in terms of the Scheme of Amalgamation of The Coorla Spg. & Wvg. Co. Ltd. with the Company.		
5) 5,000 11% Cumulative Preference Shares of Rs. 100 each fully paid up shares and 4,50,000 Equity Shares of Rs. 2 each fully paid up in terms of the Scheme of Amalgamation of Basanti Cotton Mills Ltd. with the Company.		
6) 8,29,20,000 Equity Shares of Rs. 2 each fully paid up issued in lieu of conversion of Subordinated Unsecured Loans brought in by Promoters & Associates in terms of BIFR Orders.		
Total	<u>1914.25</u>	<u>1914.25</u>
(*) 9250 11% Cumulative Preference Shares of Rs. 100 each fully paid up of the face value of Rs. 9.25 lacs were to be redeemed not later than 15 years from the date of issue i.e. 6th October, 1991.		



Swan Mills Limited

	<u>Rupees in lacs</u>	<u>Rupees in lacs</u>	<i>As at 31.03.2008 Rupees in lacs</i>
SCHEDULE "2"			
RESERVES AND SURPLUS:			
Capital Reserve			
Per last Balance Sheet		8,528.71	8,528.71
Share Premium			
Per last Balance Sheet		0.43	0.43
Workmen's Welfare Reserve			
Per last Balance Sheet		0.25	0.25
Profit & Loss Account			
Per last Balance Sheet	(4,922.71)		(7,049.17)
Profit for the year	3,161.41		2,126.46
TOTAL		<u>6,768.09</u>	<u>(4,922.71)</u>
		<u>6,768.09</u>	<u>3,606.68</u>

SCHEDULE "3"

	<u>Rupees in lacs</u>	<i>As at 31.03.2007 Rupees in lacs</i>
SECURED LOANS		
From banks and others :		
(a) ICICI Bank	2,500.00	12,900.00
(b) Non Banking Finance Co.	2,200.00	2,200.00
(c) Vehicle Loans	54.61	32.57
(Repayable within one year Rs. 31.99 Lacs)		
TOTAL	<u>4,754.61</u>	<u>15,132.57</u>

Notes :

- (a) Secured by mortgage of properties financed i.e. receivables and land at Sewri and Kurla and present and future construction there on.
- (b) Secured by pledge of Equity Shares of the Company held by the promoters.
- (c) Secured by hypothecation of vehicle.



SCHEDULE “4”

FIXED ASSETS

(Rupees in Lacs)

DESCRIPTION OF ASSETS	GROSS BLOCK (At cost or valuation)					DEPRECIATION				NET BLOCK	
	As at 01.04.2007	Additions	Deductions	As at 31.03.2008		As at 01.04.2007	For the Year	On Deductions	As at 31.03.2008	As at 31.03.2008	As at 31.03.2007
Land	960.37	2,065.46	-	3,025.83		-	-	-	-	3,025.83	960.37
Plant and Machinery	18.26	1.25	-	19.51		15.66	1.05	-	16.71	2.80	2.60
Furniture and Equipment	72.75	2.61	-	75.36		23.63	4.67	-	28.30	47.06	49.12
Motor Vehicles	136.64	48.34	-	184.98	(a)	78.52	14.56	-	93.08	91.90	58.12
TOTAL	1,188.02	2,117.66	-	3,305.68		117.81	20.28	-	138.09	3,167.59	1,070.21
<i>Previous Year</i>	170.66	1,020.54	3.17	1,188.03		78.97	41.13	2.30	117.80	1,070.23	91.69

Notes :

(a) Includes Rs. 49.70 lacs (Previous year Rs. 55.93 lacs) being cash value of assets taken on hire purchase. All the vehicles are purchased in the name of directors.

As at
31.03.2008
Rupees
in lacs

SCHEDULE “5”

INVESTMENTS :

At Cost or realisable value

ICICI pru flexi income plan	2,505.42	750.00
26,40,000 Eq. Share of Rs. 10 each in Shaan Leisure Limited	264.00	264.00
TOTAL	<u>2,769.42</u>	<u>1,014.00</u>



	<u>Rupees in lacs</u>	<u>Rupees in lacs</u>	<u>Rupees in lacs</u>	<i>As at 31.03.2008 Rupees in lacs</i>
SCHEDULE "6"				
CURRENT ASSETS, LOANS AND ADVANCES :				
A. Current Assets				
<i>Inventories</i>				
(as verified, valued and certified by the Management)				
Property under Development :				
Value of Land converted into Stock-in-trade at conversion cost and development expenses at cost				
	30,449.11			29,038.00
Others	<u>22.57</u>			<u>35.22</u>
		30,471.68		<u>29,073.22</u>
<i>Sundry Debtors (unsecured, considered good, over six months)</i>				
Receivables from the Debtors	8.02			2,958.65
Receivable from Others	<u>1,000.00</u>			<u>1,630.39</u>
		1,008.02		<u>4,589.04</u>
<i>Cash and Bank Balances :</i>				
Cash in hand		1.59		0.36
With Scheduled Banks :				
Current Accounts	2,225.15			3,103.26
Fixed Deposits with accrued interest	<u>3,552.76</u>			<u>2,188.75</u>
		<u>5,777.91</u>		<u>5,292.01</u>
TOTAL			5,779.50	<u>5,292.37</u>
			37,259.21	<u>38,954.63</u>
B. Loans, Advances & Deposits (Unsecured)				
Advances Recoverable in cash or in kind or for value to be received				
Considered good		4,597.26		4,956.49
Considered doubt full		-		-
Income tax paid and TDS		<u>530.28</u>		<u>356.33</u>
			5,127.54	<u>5,312.82</u>
TOTAL			<u>42,386.74</u>	<u>44,267.45</u>
SCHEDULE "7"				
CURRENT LIABILITIES & PROVISIONS				
Current Liabilities				
Provision for Taxations		586.97		274.96
Sundry Creditors		2,332.81		2,741.12
Project Advances		32,672.77		23,507.35
Interest		<u>17.99</u>		<u>96.42</u>
TOTAL			<u>35,610.55</u>	<u>26,619.85</u>



Swan Mills Limited

		<i>Year Ended</i>
		<i>31.03.2008</i>
	Rupees	<i>Rupees</i>
	in lacs	<i>in lacs</i>
SCHEDULE "8"		
SALE OF PRODUCTS AND OTHER INCOME		
Sales	17,497.07	4,556.74
Other Income	4,466.49	2,738.95
TOTAL	<u>21,963.56</u>	<u>7,295.69</u>

		<i>Year Ended</i>
		<i>31.03.2008</i>
	Rupees	<i>Rupees</i>
	in lacs	<i>in lacs</i>
SCHEDULE "9"		
Variation in value of Stock in trade		
Closing stock in trade	30,471.68	29,073.22
Less : Opening stock in trade	29,073.22	21,656.17
TOTAL	<u>1,398.46</u>	<u>7,417.05</u>



Swan Mills Limited

	<u>Rupees in lacs</u>	<u>Rupees in lacs</u>	<i>Year Ended 31.03.2008 Rupees in lacs</i>
SCHEDULE "10"			
A. Purchase of Materials:		45.50	4,475.91
B. Expenditure towards construction activities			
Architect Fees & Consultancy Charges	363.43		382.49
Interest on Loans	830.75		2,042.19
Rates & Taxes & Charges	1,297.74		412.49
Security Charges	58.48		32.59
Construction Materials	8,570.95		4,003.46
Construction Expenses	7,431.90		594.18
		18,553.25	7,467.40
C. Operating and Other Expenses :			
Power and Fuel	4.77		3.39
Rent	2.03		5.49
Rates and Taxes	1.54		1.40
Insurance	2.15		0.91
Repairs - Others	-		0.17
Sundry Balance written off	-		0.87
Loss/(Profit) on Sale of Fixed Assets	-		-
Salary expenses	12.36		7.34
Consultancy Charges	81.88		133.41
Vehicle Expenses	12.84		12.04
Miscellaneous Expenses	202.50		153.00
		320.07	318.02
TOTAL		18,918.82	12,261.33

SCHEDULE "11"

INTEREST AND FINANCIAL CHARGES

Financial Charges	892.29	1.75
Less : Interest Received	219.16	0.84
TOTAL	673.13	0.91



SCHEDULE "12"
ACCOUNTING POLICIES & NOTES TO THE ACCOUNTS

(A) SIGNIFICANT ACCOUNTING POLICIES

1 GENERAL

The accounts of the company are prepared under the historical cost convention using accrual method of accounting with generally accepted accounting principles. Development rights as stock-in-trade is considered at conversion cost.

2 FIXED ASSETS

Fixed assets are stated at cost of acquisition, including any attributable cost for bringing the assets to its working condition for its intended use/sale/development, less accumulated depreciation.

3 DEPRECIATION

Depreciation is provided on Straight Line Method at the rates given in Schedule XIV of the companies act, 1956.

4 INVESTMENTS

Investments classified as short term investment is valued at cost.

5 INVENTORIES

Inventory representing project work-in-progress is valued at cost, which includes expenditure incurred for development, other related cost and cost of land.

Other inventories are valued at Cost.

6 SALES & REVENUE RECOGNISATION

- a) Sales/Other income are net of taxes, if any
- b) Company is engaged in the business of development of property and textile. In consonance with the practice followed, the profit/Loss, if any, in respect of project under work-in-progress will be accounted on completion and / or sale. The sale will be treated only when peaceful possession of the flats/commercial area is given to the buyer. All expenses incurred, including interest and selling and distribution expenses, on project will be shown under Work-in-progress and amount received from customers towards booking of the area will be shown as advance received.

7 FOREIGN CURRENCY TRANSACTION

Transaction in Foreign Exchange are accounted at the exchange rate prevailing on the date the transaction has taken place. Unrealised/Payable balance in the form of current assets, current liabilities & loans at the year end are converted at closing Bank Exchange rate prevailing at the Balance Sheet date.

8 RETIREMENT BENEFITS

As the entire work force of the company has accepted VRS, no liabilities towards Retirement benefit is due for the year and hence no provision for the year

9 CONSTRUCTION ACTIVITIES

Construction cost incurred are considered as W.I.P and shown as current assets under inventories.

The initial amount received as sale of units are considered as project advances reduced to the extent it is paid/payable to the developer.

10 TAXATION

Tax comprises both current and deferred tax. Current Income Tax, including FBT, is determined on the basis of tax payable on taxable income for the year. In compliance with Accounting standard-22, deferred tax is calculated at current income tax rate and is recognised on timing difference between taxable income and accounting income subject to consideration of prudence and to the extent there is a virtual certainty.

(B) NOTES TO THE ACCOUNTS

- 1 The company has given possession of completed premises at Kurla and net sales & revenue thereon have been recognised during the year. As at Balance sheet date, Stock in trade of Rs. 30,450.27 lacs includes conversion cost of land and development expenses.



SCHEDULE “13”

2 The Company has fulfilled its obligations as required under the consent terms arrived with the Peerless General Finance & Investment Co. Ltd.

3 Earning per Share	Current Year	Previous Year
Numerator used for calculating basic and diluted earnings per		
Share - Profit as per P & L Rs. lacs	3,161.41	2,126.46
Weighted average number of shares used as denominator for		
calculating basic and diluted earning per share	95,000,000	95,000,000
Normal Value of share (Rs. per share)	2	2
Basic/Diluted earning per share Rs.	3.33	2.24
4 Contingent Liabilities :		
a) Arrears of cumulative Pref. Share dividend	15.69	14.12
5 Miscellaneous Expenses includes payments to Auditors		
Audit Fees	0.80	0.80
Tax Audit Fees	0.40	0.40
Other capacity	0.03	
6 In terms of Notification No.GSR (129 E) dated 22.02.1999 issued by the Department of Company affairs, the company is required to furnish the details of outstanding to Small Scale Industrial undertakings under the head Current Liabilities and Provisions. Since, the company has no major business activities, the remaining Creditors have been requested to furnish requisite information along with SSI Registration Number. Due to lack of feedback, the Company is unable to provide such information in its accounts	-	-

**SCHEDULE “13”**

		Current Year	Previous Year
7	Raw Material Consumed	N.A.	N.A.
8	Licensed Capacity	N.A.	N.A.
9	Capacity and Production	N.A.	N.A.
10	Sale of Products		
	Cloth		
	Qty in lac Mtrs	1.12	63.41
	Value in Rs. Lacs	52.37	4,556.74
11	Purchase of Cloth		
	Qty in lac Mtrs	0.86	62.61
	Value in Rs. Lacs	45.50	4,475.91
12	C. I. F. Value of Imports :	-	0.58
13	Stock in trade and Construction		
	Work-in-progress - Construction		
	Plot Area/Sq. Mtrs.	48,927	71,133
	Value in Rs. Lacs	30,449.11	29,038.00
	Cloth / Textile materials		
	Qty in lac Mtrs	0.43	0.68
	Value in Rs. Lacs	22.57	35.22
14	Related Party Disclosure(As identified by management)		
a)	Related party Relationship during the year		
	Ami Industries (India) Pvt. Ltd.		-
b)	Transaction with related parties		
	Key Management Personnel- Managerial Remuneration	-	-
	Receivable/(Payable)	-	-
	Unsecured Inter Corporate Deposit - Rs. In Lacs	2,670.00	2,711.89
	Interest paid/payable - Rs. In Lacs	447.47	21.21
15	Expenditure in foreign currency	3.70	0.58
16	The Managerial remuneration under Section 198 of the Companies Act, 1956	-	-



17 Segment information :

The company has identified business segments as primary segments.

The reportable business segments are Textile and Property Development (Rupees in Lacs)

	Textiles	Property development	Total
Revenue	3,574.09	18,389.47	21,963.56
Segment Results	(5.77)	3,167.18	3,161.41
Segment Assets	31.17	49,016.32	49,047.49
Segment Liabilities	103.30	48,944.19	49,047.49

Geographical Segments

All development and Trading activity have been undertaken in India only, hence Geographical segment reporting is not required.

- 18 All items of income and expenses in the period are included in the determination of net profit for the year
There are no changes in the accounting policies from that of the previous year.
- 19 Quarterly financial results are published in accordance with the guidelines issued by SEBI. The recognition and measurement principles as laid down in the standards are followed with respect to such results. The half yearly results are also subjected to limited review by the auditors as required by SEBI.
- 20 At the balance sheet date, an assessment is done to determine whether there is any indication of impairment in the carrying amount of the fixed assets. No impairment loss is determined.
- 21 The Miscellaneous expenses includes donation of Rs. 24.00 lacs and Rs. Prior period expenses of Rs. 15 lacs.
- 22 The Company had entered into Development Agreement with Peninsula Land Ltd (Formerly Piramal Holdings Ltd) to develop and sale properties at Mumbai and they are entitled to 22% of the gross receipt. The transactions and effect thereof are already given in this accounts.
- 23 In absence of distributable profit, 9250 11 % Cumulative Redeemable Preference Shares of Rs. 100 each fully paid up could not be redeemed during the year.
- 25 The Company is entitled to claim deduction in case of income from its project U/s 80 IB with reference to the built-up area having individual flat size smaller than 1000 sq. ft. The profit will be computed on proportionate basis based on ratio of the built-up area of the eligible sized flats to the total area of the projects.
- 26 Previous Year's figures are regrouped/rearranged wherever necessary.



27. BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

Statement pursuant to Part IV of Schedule VI to the Companies Act., 1956

I. Registration Details

Registration No.	294	State Code	11
Balance Sheet Date	31.03.2009		

II. Capital raised during the year (Amount Rs. In Thousand)

Public Issue	NIL	Bonus Issue	NIL
Right Issue	NIL	Private Placement	NIL

III. Position of Mobilisation and Deployment of Funds (Amount Rs. In Thousand)

Total Liabilities	1,343,695	Total Assets	1,343,695
Source of Funds			
Paid up Capital	191,425	Reserve & Surplus	852,939
Secured Loans	-	Unsecured Loans	NIL
Application of Funds			
Net Fixed Assets	391,323	Investments	NIL
Net Current Assets	677,620	Misc. Expenditure	(2,190)
Accumulated Losses	176,130		

IV. Performance of Company (Amount Rs. In Thousands)

Turn over	2,196,356	Total Expenditure	1,821,377
- Profit before Tax	374,979	+ / - Profit after Tax	316,141
<small>(Please tick Appropriate box + for Profit - for Loss)</small>			
Earning per Share in Rs.	3.33	Dividend Rate %	NIL

NIL

V. Generic names of three Principal Products/Services of the Company (as per monetary items)

Item Code No. (ITC Code) N.A.

As per our Report of even date attached

On behalf of Board of Directors

For V. R. RENUKA & CO.
Chartered Accountants

NAVINBHAI C. DAVE
Chairman

NIKHIL V. MERCHANT
Managing Director

V. R. RENUKA
Proprietor
M. No. 32263

ARUN S. AGARWAL
Company Secretary

Mumbai, 11th August, 2009

Mumbai, 11th August, 2009



**Cash Flow Statement
for the Year Ended 31.3.2009**

Year ended

31.03.2008

	<u>Rupees in lacs</u>	<u>Rupees in lacs</u>	<u>Rupees in lacs</u>
A Cash Flow from Operating Activities			
Profit/(Loss) before tax		3,161.41	2,126.46
Adjustment for :			
Depreciation	20.28		41.13
Interest Received	219.16		0.84
Interest Paid	892.29		1.75
Provision for Taxation(Deferred Tax)	1.41		7.94
		<u>1,133.14</u>	<u>51.66</u>
Operating Profit/(Loss) before Working Capital Changes		<u>4,294.56</u>	<u>2,178.12</u>
Adjustment for :			
Trade & Other Receivables/Advances	3,952.90		(7,248.74)
Inventories	(1,411.11)		(7,467.40)
Trade Payables	8,990.70		16,198.35
		<u>11,532.48</u>	<u>1,482.21</u>
Cash generated from operations		<u>15,827.05</u>	<u>3,660.33</u>
Interest Paid		(892.29)	(1.75)
Direct Taxes (Paid)/Refund Received		(173.95)	846.12
Cash Flow from Operating Activities		<u><u>14,760.80</u></u>	<u><u>4,504.70</u></u>
B Cash Flow from Investing Activities			
Purchase/disposal of Fixed Assets	(1,921.12)		(1,961.83)
Disposal of Investments	(1,755.42)		(1,014.00)
Interest Income	(219.16)		(0.84)
Cash Flow from Investing Activities		<u><u>(3,895.71)</u></u>	<u><u>(2,976.67)</u></u>
C Cash Flow from Financing Activities			
Proceeds/(Repayment)from Long Term & Short Borrowings	(10,377.96)		3,658.11
Intercorporate Deposits/Unsecured Loans	-		(1,500.00)
Cash Flow from Financing Activities		<u><u>(10,377.96)</u></u>	<u><u>2,158.11</u></u>
D Net increase in Cash & Cash Equivalents (A+B+C)		<u><u>487.13</u></u>	<u><u>3,686.14</u></u>
E Cash & Cash Equivalents : Opening Balance		<u>5,292.37</u>	<u>1,606.23</u>
F Cash & Cash Equivalents : Closing Balance		<u>5,779.50</u>	<u>5,292.37</u>

As per our Report of even date attached

On behalf of Board of Directors

For V. R. RENUKA & CO.
Chartered Accountants

NAVINBHAI C. DAVE
Chairman

NIKHIL V. MERCHANT
Managing Director

V. R. RENUKA
Proprietor
M. No. 32263

ARUN S. AGARWAL
Company Secretary

Mumbai, 11th August, 2009

Mumbai, 11th August, 2009

Swan Mills Limited

Registered Office : 15, Tokersey Jivraj Road, Sewri, Mumbai - 400 015.

ATTENDANCE SLIP

To be handed over at the entrance of the Meeting venue

[Empty box for stamp or signature]

Member's Folio No.

Name of the Member attending Meeting

In case of Proxy, Name of Proxy

I hereby record my presence at the 101th ANNUAL GENERAL MEETING at Walchand Hirachand Hall, 4th Floor, Indian Merchant Chamber Building, IMC Marg, Churchgate, Mumbai – 400 020 on Thursday, 24th September, 2009 at 11.30 A.M.

Member's/Proxy's Signature

Note :

- 1. Please sign this attendance slip and hand it over at the Attendance Verification Counter at the ENTRANCE OF THE MEETING HALL.
- 2. NO GIFTS/COMPANY PRODUCTS SHALL BE GIVEN AT THE MEETING.
- 3. The Shareholding stated above is subject to change for transfers upto book closure. THIS ATTENDANCE IS VALID ONLY IN CASE SHARES ARE HELD ON DATE OF MEETING.



Registered Office : 15, Tokersey Jiv - 400 015.

PROXY

I/We _____

of _____

being a Member/Members of SWAN MILLS LTD. hereby appoint _____

of _____

or failing him _____

of _____

or failing him _____

of _____

as my/our Proxy to attend and vote for me/us and on my/our behalf at the 110th Annual General Meeting of the Company to be held at Mumbai on September 24, 2009 at 11.30 A.M. and at any adjournment thereof

Signed this _____ day of _____ 2009

Signed by the said.....

Of _____

Affix Rs. 1 Revenue Stamp

Note : If a Member is unable to attend the Meeting, he may sign this form and send it to the Company's Registered Office so as to reach us not less than 48 hours before the Meeting