



SWAN ENERGY LIMITED

104TH ANNUAL REPORT

For the year ended 31.03.2012



Board of Directors

CHAIRMAN

NAVINBHAI C. DAVE

DIRECTORS

RAJKUMAR SUKHDEVSINHJI

PITAMBER S. TECKCHANDANI

SHOBHAN I. DIWANJI

NAGARDAS H. PANCHAL

RAJAT KUMAR DAS GUPTA

DHIREN M. DESAI (upto 21/09/2011)

PADMANABHAN SUGAVANAM, Whole time Director

PARESH V. MERCHANT, Executive Director

NIKHIL V. MERCHANT, Managing Director

COMPANY SECRETARY

ARUN S. AGARWAL

AUDITORS

V. R. RENUKA & CO.

REGISTERED OFFICE

6, FELTHAM HOUSE, 2nd FLOOR,

10, J.N.HEREDIA MARG,

BALLARD ESTATE,

MUMBAI – 400 001.

104th ANNUAL GENERAL MEETING

On Tuesday September 18, 2012 at 11.30 AM

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 104th (One Hundred and Fourth) Annual General Meeting of the Company will be held on Tuesday, September 18, 2012 at 11.30 A.M. at Walchand Hirachand Hall, 4th Floor, Indian Merchant Chamber Building, IMC Marg, Churchgate, Mumbai - 400 020 to transact the following business:

ORDINARY BUSINESS:

Adoption of audited Annual Accounts and Reports of the Auditors and Directors

1. To receive, consider and adopt the Audited Statement of Profit and Loss Account for the financial year ended March 31, 2012, and the Balance Sheet as at that date together with the Reports of the Board of Directors and the Auditors thereon.

Declaration of dividend

2. To declare a dividend for the financial year ended March 31, 2012 on the Equity Shares.

Re-appointment of Directors retiring by rotation

3. To appoint a Director in place of Mr. Nagardas H. Panchal, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Rajat Kumar Dasgupta, who retires by rotation and being eligible, offers himself for re-appointment.

Re-appointment of Statutory Auditors

5. To appoint M/s. V. R. Renuka & Company, Chartered Accountants, Mumbai as the 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 March 31, 2013.

SPECIAL BUSINESS:

6. Raising of Capital

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT in supersession of all the Resolutions passed earlier in this regard and pursuant to the provisions of section 81(1A) and other applicable provisions of the Companies Act, 1956, (including any statutory modifications or re-enactments thereof for the time being in force) and subject to:

- a) the provisions of the memorandum and Articles of Association of the Company;
- b) the requirements of the Listing Agreement(s) entered into by the Company with the Stock Exchanges on which the Company's Shares are presently listed;
- c) the provisions of the Foreign Exchange Management Act, 1999 (FEMA), as amended, and all applicable regulations framed and notifications issued thereunder;
- d) the Securities and Exchange Board Of India (Issue of Capital And Disclosure Requirements) Regulations, 2009, as applicable; including the regulations for Qualified Institutions Placement prescribed in Chapter VIII thereof;
- e) all other applicable rules, regulations, circulars, notifications, guidelines issued by Ministry of Finance, the reserve bank of India (RBI), the securities and Exchange board of India (SEBI) and all other governmental or regulatory bodies in India;
- f) obtaining and complying with all necessary approvals, consents, permissions and / or sanctions, as applicable for Foreign Direct Investment of the Government of India (GOI), the Foreign Investment Promotion Board (FIPB), RBI, SEBI, relevant Stock Exchanges, whether in India or overseas, all other appropriate regulatory and governmental authorities, whether in India or overseas, any institutions, lenders and any other third parties and subject to such conditions and modifications as may be prescribed by any of them whilst granting such approvals, consents, permissions and sanctions and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall include any committee(s) constituted or to be constituted for the purpose of any offering(s) to be made by the Company in pursuance of this Resolution);

consent of the members of the Company be and is hereby accorded to the Board to create, offer, issue and allot, in one or more tranches:



- (i) in the course of one or more domestic offering(s), and / or
- (ii) in the course of one or more international offering(s), in one or more foreign markets,

such number of Equity shares, with or without green shoe option, in the course of domestic and/or international offerings and/or Qualified Institutions Placements ("QIP"), secured or unsecured debentures, bonds or any other securities whether convertible into equity share or not, including, but not limited to, Foreign Currency Convertible Bonds ("FCCBs"), Optionally Convertible Debentures ("OCD"), Bonds with share warrants attached, Global Depositary Receipts ("GDRs"), American Depositary Receipts (ADRs), or any other equity related instrument of the Company or a combination of the foregoing including but not limited to a combination of equity shares with bonds and/or any other securities whether convertible into equity shares or not (hereinafter referred to as "Securities") whether rupee denominated or denominated in Foreign Currency, to any eligible person, including to Domestic / Foreign Investors / Institutional Investors/Foreign Institutional Investors, non-resident Indians, Indian public, Individuals, Companies/ Corporate Bodies (Whether incorporated in India or Abroad), Mutual Funds, Banks, Insurance Companies, Pension Funds, Venture Capital Funds, Financial Institutions, Trusts, Qualified Institutional Buyers within the meaning of Chapter VIII of the SEBI ICDR Regulations, Stabilizing agents or other persons or entities, whether shareholders of the Company or not through a public issue and/or on a private placement basis and/or qualified institutions placement within the meaning of Chapter VIII of the SEBI ICDR Regulations and/or other kind of public issue and/or private placement or through a combination of the foregoing as may be permitted under applicable law from time to time, for an aggregate amount not exceeding ₹ 1200 Crores (Rupees One Thousand Two Hundred Crores only), whether to be listed on any stock exchange in India or any international stock exchanges outside India, through an offer document and/or prospectus and/or offer letter, and/or Placement Document and/or offering circular, and/or on public and/or private placement basis, at such price or prices and on such terms and conditions including security, rate of interests etc, as may be decided by and deemed appropriate by the Board as per applicable law, including the discretion to determine the categories of Investors to whom the offer, issue and allotment shall be made, considering, the prevailing market conditions and other relevant factors wherever necessary in consultation with its advisors, as the board in its absolute discretion may deem fit and appropriate.

RESOLVED FURTHER THAT the Board is entitled to appoint, enter into and execute all such agreements with any Advisor(s), Lead Manager(s), Underwriter(s), Guarantor(s), Depository(ies), Trustee(s), Custodian(s), Legal Counsel(s) and all such other relevant agencies as may be involved or concerned with such offerings of securities and to remunerate all such agencies including by payment of commissions, brokerage, fee or the like.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolutions, the Board be and is hereby authorized to do all such acts, deeds, matters and the things, as it may in its absolute discretion deem fit and to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of securities and utilization of the issue proceeds as it may in its absolute discretion deem fit without being required to seek any further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorized to form a committee or delegate all or any of its power to any Director(s) or committee of Directors/ Company Secretary/ Other person authorized by the Board to give effect to the aforesaid resolutions.

RESOLVED FURTHER THAT without prejudice to the generality of the foregoing, issue of the securities may be done upon all or any terms or combination of terms in accordance with international practices relating to the payment of interest, additional interest, premium on redemption, prepayment or any other debt service payments and all such terms as are provided customarily in an issue of securities of this nature.

**By Order of the Board of Directors
For Swan Energy Limited**

**Arun S. Agarwal
Company Secretary**

Mumbai, August 17, 2012



NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. The proxy, in order to be effective, should be deposited with the Company not less than Forty-eight hours before the commencement of Annual General Meeting. Proxy shall not vote except on a poll.
2. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, setting out all the material facts relating to item No. 6 of the Notice is annexed.
3. Pursuant to provisions of Section 154 of the Companies Act, 1956, the Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, September 12, 2012 to Tuesday, September 18, 2012 (both days inclusive).
4. The dividend on equity shares, if approved at the meeting, will be paid to those members whose names are on the Company's Register of Members on Tuesday, September 11, 2012. In respect of shares held in electronic form, the dividend will be payable to the beneficial owners of shares as at the end of business hours on Tuesday, September 11, 2012 as per the details furnished by the Depositories for this purpose.
5. Members holding shares in physical form are requested to intimate Registrar and Transfer Agents of the Company viz., 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 are requested to update such details with their respective Depository Participants.
6. Re-appointment / Appointment of Directors:
The information required to be provided under the Listing Agreement in respect of Directors being appointed / re-appointed is given herein below:

Name of the Director	Mr. Nagardas H.Panchal	Mr. Rajkumar Dasgupta
Brief Resume, Experience and nature of expertise in functional area	A graduate in Chemical Engineering with experience of 50 years in consultancy and project implementation in the field of Synthetic Fibre and Textiles in India and abroad both in public and private sectors.	M. Tech from IIT, Kharagpur in Mechanical Engineering with extensive experience of 45 years in the field of Planning, Marketing, Product development, Engineering, Construction and Integrated Project Management, Energy Conservation in Green field projects, viz. petrochemicals, fertilizers, refineries, cement etc.
Directorship held in other Public Companies	Nil	Nil
Committee position held in other Public Companies.	Nil	Nil
No. of Shares held in Swan Energy limited.	Nil	Nil

**By Order of the Board of Directors
For Swan Energy Limited**

**Arun S. Agarwal
Company Secretary**

Mumbai, August 17, 2012



ANNEXURE TO NOTICE

Explanatory statement pursuant to section 173(2) of the Companies Act, 1956:-

Item No. 6:

At an Extra Ordinary General Meeting (EGM) of the Company held on March 11, 2010, the Members had accorded their approval for raising capital through a Qualified Institutions Placement (QIP) / Global depository Receipts (GDRs) / American Depository Receipts (ADRs) / Foreign Currency Convertible Bonds (FCCBs) / other securities upto an amount not exceeding ₹1,200 crores (Rupees Twelve Hundred crores only) in the course of one or more domestic and / or international offering(s). The proceeds of the offerings were to be utilized to capitalize the Company adequately besides meeting the working capital requirements of the Company.

According to provisions of Chapter VIII of the Securities and Exchange Board of India (SEBI) (Issue of Capital and Disclosure Requirements) Regulations, 2009, the Special Resolution passed by the Members for approving the proposal is valid for a period of twelve months from the date of passing the Special Resolution and hence, the validity of the Special Resolution passed has expired on 10/03/2011.

The proposal to raise capital could not be implemented due to unfavorable and uncertain market conditions. However the intention of the Company to raise capital still holds good and therefore, it is proposed to approach the potential investors as and when there is an improvement in the situation. For this purpose, an enabling Resolution is being proposed to give necessary authority to the Board of Directors to decide and finalise the timing and the terms of the issue, subject to compliance with all applicable laws, rules, regulations, guidelines and approvals.

The detailed terms and conditions for the offer and the pricing of the securities shall be in compliance with applicable laws, guidelines and regulations. Further, the securities that may be issued to QIP shall be in accordance with SEBI guidelines which presently provide for a price not less than the average of the weekly high and low of the closing price of the Securities quoted on the Stock Exchanges during the two weeks preceding the "Relevant Date", which means the date of the meeting in which the Board of Directors decides to open the proposed issue.

The said Special Resolution, if passed, shall also have effect of allowing the Board, on behalf of the Company, to offer, issue and allot the Securities otherwise than on pro-rata basis to the existing Shareholders.

None of the Directors of the Company may be deemed to be concerned or interested in the said Resolution except to the extent to which they hold securities and / or may subscribe to the Securities, if any, as the case may be.

The Board of Directors believe that such offering(s) are in the interest of the Company and, therefore, recommends the Resolution for approval of the Members.

**By Order of the Board of Directors
For Swan Energy Limited**

**Arun S. Agarwal
Company Secretary**

Mumbai, August 17, 2012

**DIRECTORS' REPORT**

Your Directors have the pleasure to present herewith their 104th Annual Report with Audited Statement of Accounts for the year ended on March 31, 2012. The operating results are as under:

Financial Results	For the year ended on 31.3.2012 ₹ in lacs	For the year ended on 31.3.2011 ₹ in lacs
Profit before interest & depreciation	5,100.72	8,132.74
Less: Interest	903.66	1,176.97
: Depreciation	419.44	156.31
Profit before Tax	3,777.62	6,799.46
Less: Provision for Taxation	1,127.57	2,417.72
Net Profit for the year	2,650.05	4,381.74
Add: Amount of Profit & Loss Account brought forward	8,752.97	4,592.05
Amount available for Appropriation	11,403.02	8,973.79
Less: Appropriations:		
Provision for Proposed Dividend (including tax)	331.23	220.82
Balance of Profit & Loss Account transferred to Balance Sheet	11,071.79	8,752.97

Review of Operations

The construction of 'Tower D' at the Kurla commercial project 'Peninsula Techno-park' is near completion and shall be completed during the financial year 2012-13.

The Process House of the Company at Ahmedabad was operational during the year. However, due to recession and sluggishness in the entire industrial sector, more particularly in the Textile sector, the Process House could not achieve its break even and had to suffer losses. However, the Company is putting its best efforts to ensure profitability from the same during the financial year 2012-13.

During the year, the Company has booked sale of few flats at 'Ashok Garden', Sewri, which has enabled the Company to attain profitability with EBIDT of ₹ 5,100.72 lacs for current year as compared to ₹ 8,132.74 lacs in the previous year. Net profit for the current year is ₹ 2,650.05 lacs as compared to ₹ 4,381.74 lacs in the previous year.

During the year, the Company, through its subsidiary company 'Cardinal Energy and Infrastructure Private Limited' has acquired two semi-finished commercial properties at Bengaluru and Hyderabad. For Bengaluru property, lease agreement has already been executed with a leading MNC IT company. Talks are on to finalise lease agreement for Hyderabad property. The balance construction work and fitouts at both the properties are under progress.



Dividend

In spite of lower profitability as compared to previous year, as an investor friendly measure, your Directors are pleased to recommend for approval of the Members, payment of a dividend at the rate of ₹ 0.30 per Equity Share (15%) on 9,50,00,000 Equity Shares of ₹ 2/- each for the year ended March 31, 2012. The amount of dividend and the tax thereon will be ₹ 2,85,00,000/- and ₹ 46,23,412.50 (tax rate being @ 16.2225%) respectively.

Fixed Deposits

The Company has not accepted any fixed deposits from public during the year under review.

Finance

Your Company has been regular in meeting its obligation towards payment of Principal/Interest to Banks.

Directors

At the ensuing Annual General Meeting, Shri Nagardas H. Panchal and Shri Rajat kumar Dasgupta, retire by rotation and being eligible, have offered themselves for re-appointment.

Resolutions for the approval of the Members for the aforesaid appointments are included in the Notice calling the ensuing Annual General Meeting. As required under Clause 49 of the Listing Agreement, the brief resumes of the Directors are furnished in the Notice of the 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, have offered themselves for re-appointment.

Auditor's Report

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

Particulars of Employees

The particulars required under Section 217(2A) of the Companies Act, 1956, are furnished in the Annexure to the Report.

Corporate Governance

A report on the 'Management Discussions and Analysis' and 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.

Further, as required under the said Clause 49, your Company has adopted a 'Code of Conduct and Ethics' for its Directors and Senior Executives.

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 March 31, 2012 and of the profit of the Company for the said year;

- 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 particulars relating to energy conservation, technology absorption, foreign exchange earning and outgo, as required to be disclosed under 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 are provided in the Annexure to the Report.

Subsidiary

During the year, the Company has invested ₹ 15,00,00,020/-, (1,50,00,002 Equity shares of ₹ 10/- each) in its subsidiary company 'Cardinal Energy and Infrastructure Private Limited', thereby making it its 100% Subsidiary Company.

The statement pursuant to Section 212 of the Companies Act, 1956 containing details of Subsidiary of the Company forms part of this Annual Report. As required under section 212 (1) of the Companies Act, 1956, the final accounts for the year ended March 31, 2012 of the Subsidiary Company along with the Report of Directors and Auditors thereon, are attached to the Balance sheet of the Company.

Industrial relations

The relationship with all the concerned continued to remain cordial throughout the year under review.

Appreciation

The Directors place on record their appreciation for support and timely assistance from Financial Institutions, Banks, Government Authorities and above all, its 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.

Registered Office:
6, Feltham House, 2nd Floor,
10, J. N. Heredia Marg,
Ballard Estate, Mumbai - 400001

Mumbai, August 17, 2012

For and on behalf of the Board of Directors

Navinbhai C. Dave
Chairman

**ANNEXURE TO THE DIRECTORS' REPORT****I) Statement of particulars of Employees, pursuant to Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975:**

Paid for the full year

Name	Age	Designation	Gross Remuneration (in ₹)	Qualification	Total Experience	Date of commencement	Previous employment
Mr. Nikhil V. Merchant	52	Managing Director	65,00,000/-	B.S.(Tex. Eng. Eng.) USA, DMTC MEP (IIM).	28 years	25-03-1992	Indian Organic Chemicals Limited
Mr. Paresh V. Merchant	49	Executive Director	65,00,000/-	B.Com., MEP (IIM).	25 years	01-12-1992	—

II) Information pursuant to Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988:**A) CONSERVATION OF ENERGY****a) Energy conservation measures taken at process House, Ahmedabad:**

It has been the Company's endeavour to ensure that it is engaged in continuous process of energy conservation through improved operational and maintenance practices. Accordingly, and in line with the company's commitment to conserve natural resources, the Process House at Ahmedabad continued with its endeavour to make more efficient use of energy by continuous up-gradation and installation of latest technology, machineries and energy saving equipments.

b) Additional investments and proposals, if any, being implemented for reduction of conservation of energy:

The Company is continuously striving and making all possible efforts to reduce energy consumption in all its energy intensive equipments.

c) Impact of the measure (a) & (b) above for reduction of Energy Consumption and consequent impact on cost of production of goods:

The above measures initiated have resulted in energy saving and reduced consumption of electricity and fuel oils. Total energy consumption & energy consumption per unit of production are as per Form 'A' below:

**FORM A Particulars with respect to energy conservation**

Particulars	Units	2011-12	2010-11
A. Power and fuel consumption			
1. Electricity			
(a) Purchased			
i) Connected Load	KWH	750	750
ii) Purchase of Units	Units	35,50,580	1,96,670
iii) Total Amount	₹	2,08,77,776	16,97,474
iv) Rate per unit (Average)	₹	5.88	8.63
(b) Own generation			
i) Through diesel Generator		Nil	Nil
ii) Through steam turbine/generator		Nil	Nil
2. Coal/Furnace oil/Others	Units	Nil	Nil
B. Consumption per unit of production			
1. Processed Fabrics	Mtrs	99,60,051	11,13,206
Electricity / Mtr Fabric processed	Units	0.36	0.18

B) TECHNOLOGY ABSORPTION, RESEARCH AND DEVELOPMENT (R&D)

1. Specific areas in which R&D carried out by the Company:

Quality Improvement in Products; Development of new Products and Designs; Cost control measures; Energy Conservation etc.

2. Benefits derived as a result of above R & D:

Sustained quality at economized cost.

3. Future Plan of Action:

Continuous focus on innovations in Textile development processes & products towards quality enhancement & reduction in operational cost.

4. Expenditure on R & D: Nil

5. Technology absorption, adaptation and innovation:

For consistent production through State of the Art Machinery and Equipments, our manufacturing facility is equipped with well trained Personnel and high-tech quality control equipments.

C) FOREIGN EXCHANGE EARNINGS AND OUTGO (Rs. in lacs)

	2011-12	2010-11
Earnings - Export	₹ 21.91	Nil
Outgo - Import of Capital goods	₹ 221.98	₹ 2,108.97
- Consultancy fees	₹ 16.41	Nil

For and On behalf of the Board of Directors

Registered Office:
6, Feltham House, 2nd Floor,
10, J. N. Heredia Marg,
Ballard Estate, Mumbai - 400001

Mumbai, August 17, 2012

Navinbhai C. Dave
Chairman



MANAGEMENT DISCUSSION AND ANALYSIS

Swan Energy Limited (SEL) is an emerging core sector company with clean energy and real estate as its main focus areas. The Company is well poised to be a part of emerging opportunities in the natural gas sector, as well as to be a part of the vibrant real estate sector.

The Company is developing a LNG Floating Storage & Regasification Unit (FSRU) in Pipavav at Gujarat. This project is based on an unique business model of 'Tolling terminal' which will be the first of its kind in India. The FSRU concept scores over the traditional onshore import terminal in terms of cost competitiveness, lower gestation period and environmental benefits. The Company and Gujarat Pipavav Port Ltd. (GPPL) signed an MOU in the Vibrant Gujarat Summit 2011 wherein GPPL will provide port services to Company for their terminal.

The work on the same is progressing well. The Company has carried out an in house feasibility report and also carried out a detailed location analysis report. Work on obtaining environment approval has commenced. The Company is in advanced stage of discussions with the Government owned oil majors in India for utilizing the FSRU capacity on a long term committed basis.

During the year, your Company also expanded its real estate footprint across other cities of India. South India is emerging as one of the most sought after destinations for real estate and your Company has ventured into the market at an opportune time. The Company, through its subsidiary, Cardinal Energy and Infrastructure Private Limited, has acquired commercial properties in Bengaluru and Hyderabad. It is also in advance negotiation to jointly develop a residential project in Mangalore, Mysore and Bengaluru. The Company plans to develop "Vision City" in Bengaluru which would consist of software technology parks, residential apartments, retail malls, food courts and entertainment facilities, educational institutions, hospitals, hotel, community centers and golf course facility.

The Company has also set up a state-of-art textile process unit in Ahmedabad.

During FY 2012-13, the Company would continue to strengthen its presence in the real estate market as well as aggressively pursue its FSRU project.

1. INDUSTRY OVERVIEW

Natural Gas Market Overview

Natural gas market would continue to be in deficit in the foreseeable future

India's natural gas supply has been adversely impacted by declining production from Krishna-Godavari-D6 field. As against the anticipated production of 80 MMSCMD, the production was 55.9 MMSCMD in 2010-11 and this has further fallen to 46.6 MMSCMD in H1 2011-12.

For FY 2010-11, against the domestic demand of 177 MMSCMD, domestic supplies stood at 143 MMSCMD. The deficit is estimated to widen going forward as KG D6 production is likely to remain at subdued levels (around 45 MMSCMD), whereas, the demand for natural gas is likely to be strong across sector.

LNG import demand is getting created across sectors; provides scope for additional regasification terminals

The declining production from D6 coupled with absence of new gas finds is making the business of gas import attractive. India has no option but to go in for large-scale LNG imports if it is to guide its power sector toward a fundamental shift in fuel choice.

Though R-LNG is costlier than domestic gas but is still economical in comparison to liquid fuels (at prevailing high crude oil prices). Moreover, as domestic supplies of gas would be limited in relation to the demand from these consumers, part of the residual demand would have to be met with the more expensive R-LNG. Also, incremental demand from the other major consuming segments might be met primarily from R-LNG.



The Inter-Ministerial Committee on pooling of natural gas prices has recommended preferential allotment of available domestic natural gas to core sectors, that is, fertiliser and power sectors, along with a certain amount reserved for the CGD/CNG sector. The committee suggests fertiliser and power sectors to meet a certain portion of incremental natural gas demand by R-LNG; the proportion of R-LNG to total requirement is recommended at 22% for the fertiliser sector and 27% for the power sector. The committee has also suggested putting a cap on domestic gas allocation to certain other sectors; for example, a cap of 6 MMSCMD for CGD/CNG sector, 23.5 MMSCMD for non-priority sectors and 1 MMSCMD for other court mandated customers. Thus, all the incremental requirements of these sectors surpassing the cap will have to be met by R-LNG.

For over seven years now, India has been using R-LNG and has two operational terminals at Dahej (owned by Petronet LNG Limited) and Hazira, Gujarat (owned by Shell Hazira LNG). These 2 terminals are working at more than 90% capacity utilization. Over the next five years, GAIL's Dabhol terminal (5mtpa), Petronet LNG's Kochi terminal (5mtpa), GSPC Adani's Mundra terminal (6.5mtpa) and IOC's Ennore terminal (2.5mtpa) are expected to commence production.

Real Estate Market Overview

Owing to the impact of the challenging macro economic factors, FY 2011-12 was quite challenging for the sector. It faced difficulties in terms of funding, rising costs, labour shortages and regulatory issues, hampering project execution.

Mumbai Real Estate

FY 2011-12 saw unprecedented amendments in local real estate regulation in Mumbai. The Maharashtra State Government amended the Development Control Regulation (DCR) of Greater Mumbai, 1991 with a view to bring in transparency and reduce arbitrary and discretionary decision making. This would lead to faster approvals to expedite launch/ re-launch of projects (stuck during 2011) at lower than market rates providing the much anticipated correction thereby improving sentiments and volumes.

The Mumbai property market continues to face slow sales and glut of properties. Since November 2008, unsold stock in Mumbai has gone up from 24.66 million sq ft to 50 million sq ft in December 2011, while that in Mumbai Metropolitan Region (MMR) increased from 79 million sq ft to 110 million sq ft. However, prices of existing projects to remain stable and unlikely to decline sharply on account of higher input costs

South India Real Estate

Southern India has been building and strengthening its real estate development. The commercial advantage of Bengaluru, infrastructural progress of Hyderabad, and emerging opportunities in Kochi, Coimbatore, Vishakhapatnam and Mangalore – is making them the most sought after destinations in the country.

Demand in South-India continues to be driven by growth in IT/ ITES industry, where hiring continues to strong. Bengaluru, Chennai and Hyderabad put together account for nearly 45% of India's office stock. Absorption in Bengaluru remained strong (3,500-4,000 units per quarter) supported by flurry of new launches (~23,600 units launched in FY 2011-12). Strong launch pipeline in FY 2012-13 to ensure supply keeps pace with absorption.

During FY 2011-12, Chennai witnessed growth in terms of demand (4,000-5,000 units per quarter) and steady pricing. Developers like Prestige, Sobha, Tata Housing, Vascon have forayed into the Chennai market owing to strong demand in residential segment.



2. BUSINESS OVERVIEW

Your Company is an emerging green energy and real estate company with a pipeline of promising projects.

A) Energy Projects

The Company is setting up a Floating Storage & Regasification Unit (FSRU) at Pipavav port, Gujarat with a capacity of 3mn metric tonne p.a. (MMTPA) of LNG. The objective of the project is to create LNG import facilities in quickest possible time.

The Company's FSRU project is also based on unique business model of 'Tolling terminal' which will be the first of its kind in India. The "floating unit" concept enjoys an edge over the onshore terminal. FSRU concept can be implemented in shortest possible time. The site activities do not need to start from early days as most the FSRU gets prefabricated in a separate ship yard. Hence various approvals and FSRU fabrication can go in parallel. Further, capital cost of FSRU is far less than that of a land based terminal. Since the infrastructure would not be confined to a single location it would ensure higher mobility with no environmental impact on shoreline.

The FSRU will involve a capex of approximately ₹ 2,500 crore to be funded with a debt equity ratio of 70:30. The Company would own 100% of the FSRU unit and will bring in the equity contribution of ₹ 750 crore. The project is expected to be operational by December 2014.

The Company has carried out an in house feasibility report and also carried out a detailed location analysis report through marine engineering consultants, BMT Consultants. Based on this, technical specifications of FSRU are frozen. BMT has also been retained as advisors for carrying out various detailed studies for final port design and engineering and to obtain related environmental approvals. Work on obtaining environment approval has commenced.

The Company is in advanced stage of discussions with the Government owned oil majors in India for utilizing the FSRU capacity on a long term committed basis.

As for the supply of FSRU, detailed discussions are in process with all potential FSRU suppliers.

B) REAL ESTATE PROJECTS

The Company is currently developing 2 property projects in prime locations of Mumbai, a commercial and a residential property, with total saleable area of 2 mn sq. ft. The Company commenced construction of its property development projects in 2005- 2006 and these projects are expected to be completed by 2013.

Along with these, the Company has now spread its real estate business across other cities. The Company, through its 100% subsidiary, Cardinal Energy and Infrastructure Private Limited, has acquired ready properties in Bengaluru and Hyderabad. Besides, it is also coming up with joint venture (JV) realty projects in Manglore, Mysore and Bengaluru.

C) TEXTILE BUSINESS

During FY11, the Company had set up state-of-art textile Process House at Ahmedabad, Gujarat. The plant has been built up in a 4 acre plot with an installed production capacity of 1 lacs meters per day. The Company imported state-of-art machineries for the plant from Germany, Belgium, Italy and Austria.

The concept of process house has been designed and developed keeping in mind the stringent quality parameters required coupled with the environmental issues of conserving water, power, etc., and reducing effluents. This has been made possible using eco friendly products and state of the art PLC controlled continuous processing technology.

3. FINANCIAL HIGHLIGHTS

The Sales, including other income, during the financial year ended March 31, 2012 stood at ₹14,918.35 lacs, as compared to ₹ 41,116.32 lacs in the previous year. Net profit for the year stood at ₹ 2,650.05 lacs.

4. OPPORTUNITIES

Demand for LNG imports which accounts for nearly 20% of natural gas consumption in the country is likely to remain robust in the domestic market. Lower D6 production and strong demand growth implies that India would remain gas deficient in the foreseeable future. LNG imports will be the only possible solution in the near interim translating into growth opportunities for LNG importers. By 2025, India is expected to be dependent on imports for around 44% of its supply and would require nearly 5,100 million cubic feet per day (MMCFD) of imported gas.

The FSRU project is coming up in the state of Gujarat which is an ideal location to set up such terminal due to its proximity to Middle Eastern gas sources, large coast line and well developed pipeline network to transport gas within the state. It is



flanked by large gas reserves on the west, being relatively close to few of the world's top 5 countries in terms of gas reserves i.e. Iran, Qatar, Saudi Arabia and Abu Dhabi. The state also has an extensive gas transmission network with pipeline network of 1,000kms, which is 22% of the country's pipeline network.

Moreover the gas grid in Gujarat is well connected with northern and southern demand centers due to its interactions with all major gas pipelines (existing and planned) in India. Thus, gas imported as LNG on west coast can easily be supplied to any of the gas consumers connected to gas pipeline in almost all parts of India.

5. RISKS AND CONCERNS

Some of the key risks and concerns have been identified and appropriate steps will be taken to mitigate the adverse impact of the same.

Energy Business:

Timely implementation - Delay in implementation and execution of the FSRU could negatively impact the performance resulting in time and cost overrun.

Increasing LNG capacity – Oversupply may dent LNG terminals' profits as huge LNG supply has been planned in the next 4-5 years as Adani, GSPC, IOC, BPL and PLNG have announced plans.

Competition – All the major players in the Indian hydrocarbon business have plans of entering the natural gas business. The company faces competition not only from Indian players, but also from several multinational companies that will extend their presence in the growing Indian market.

Real Estate Business:

Interest rate hikes – RBI raised its lending rate 13 times between March 2010 and October 2011. Though, it reversed its policy stance in April'12 by slashing its key repo rate by 50 bps and a two-stage CRR cut of 125 bps since January'12, the rates are still high impacting residential sales.

Margin pressure - Depressed demand, together with increased construction costs - both material and labour - have compressed margins.

6. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has adequate and appropriate internal control systems. On the Finance and Administrative side, the internal checks and balances are augmented by a formal system of internal and management audit. The Audit Committee of the Board reviews and will continue to review the adequacy and effectiveness of the internal control systems and suggest improvements for strengthening them.

7. HUMAN RESOURCES AND INDUSTRIAL RELATIONS

Human capital continued to be recognized as the most valued asset. The Company is adequately managed with experienced professionals to take care of all operations and allied activities. The Company has recruited skilled managerial and operational team to manage new projects. As on March 31, 2012, there were 141 employees, including 3 whole time Directors.

Industrial relations continue to be harmonious and cordial.

8. FORWARD LOOKING STATEMENTS

This report contains forward looking statements that address expectations or projections about the future, including but not limited to statements about the Company's strategy for growth, product development, market position, expenditures and financial results, based on certain assumptions and expectations of future events. The Company's actual results, performance or achievements could thus differ materially from those projected in any such forward looking statements.

For and On behalf of the Board of Directors

Mumbai, August 17, 2012

Nikhil V. Merchant
Managing Director

**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.

The 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 March 31, 2012, the Company's Board comprises nine members, consisting of five 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 May 13, 2011, August 12, 2011, September 22, 2011, November 14, 2011 and February 14, 2012.

The required details of the Board of Directors as on March 31, 2012 are as under:-

Name of the Director	Category	No. of meetings held	No. of meetings attended	Whether attended last AGM	Number of outside directorships held (*)	Membership in Committees (**)	Chairmanship in Committees (**)
Navinbhai C. Dave	Non-Executive Chairman	5	5	Yes	--	1	--
Nikhil V. Merchant	Managing Director	5	5	Yes	1	--	--
Paresh V. Merchant	Executive Director	5	5	Yes	--	1	--
Padmanabhan Sugavanam	Executive/Whole time Director	5	5	Yes	1	--	--
Rajkumar Sukhdevsinhji	Non- Executive/ Independent	5	5	Yes	1	--	--
Pitamber S. Teckchandani	Non-Executive/ Independent	5	4	Yes	--	2	--
Nagardas H. Panchal	Non- Executive/ Independent	5	4	No	--	3	3
Shobhan I. Diwanji	Non- Executive/ Independent	5	5	Yes	--	2	--
Rajat kumar Das Gupta	Non- Executive/ Independent	5	3	No	--	--	--

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

** Committees considered are Audit Committee, Shareholders' Grievance Committee and Remuneration Committee.



3. BOARD - LEVEL COMMITTEES:

The Company has three Board level committees, namely;

a) Audit Committee:

The Audit Committee of the Company consists of three (3) independent and non-executive Directors, namely, Mr. Nagardas H. Panchal, (Chairman & Independent Director), Mr. Pitamber S. Teckchandani and Mr. Shobhan I. Diwanji. The terms of reference of the Committee are as per Clause 49 of the Listing Agreement and Section 292-A of the Companies Act, 1956.

The Committee met four times during the year under review on May 13, 2011, August 12, 2011, November 14, 2011 and February 14, 2012.

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. Nagardas H. Panchal (Chairman & Independent Director), Mr. Paresh V. Merchant, and Mr. Navinbhai C. Dave, has been constituted for redressing shareholders and investors' complaints. Mr. Arun S. Agarwal, Company Secretary has been designated as Compliance Officer. The Committee met four times during the year 2011-12 on May 13, 2011, August 12, 2011, November 14, 2011 and February 14, 2012.

During the year, the Company has received 38 complaints from the shareholders, which were duly resolved/ replied.

Pursuant to Clause 47(f) of the Listing Agreement, the Company has designated the following exclusive E-mail ID for the convenience of investors: invgrv@swan.co.in

Pursuant to Clause 54 of the Listing Agreement, Company's website www.swan.co.in is updated with the Quarterly information conveyed to the Stock Exchange and other relevant information.

c) Remuneration Committee:

The Remuneration Committee comprises of three (3) independent and non-executive Directors, namely, Mr. Nagardas H. Panchal (Chairman & Independent Director), Mr. Shobhan I. Diwanji, and Mr. Pitamber S. Teckchandani. The terms of reference of Remuneration Committee, inter-alia, consists of recommendation for appointment/ re-appointment of Managing Director, Executive/whole time Director/s and senior executives and review of terms of appointment. The Committee has not met during the year.

4. GENERAL BODY MEETING

Date, Time and venue for the last three Annual General Meetings are given below:

Financial Year Ended	Date	Time	Venue
March 31, 2009	24.09.2009	11.30 A.M.	Walchand Hirachand Hall, IMC Building, Churchgate, Mumbai 400 020.
March 31, 2010	24.09.2010	3.30 P.M.	Walchand Hirachand Hall, IMC Building, Churchgate, Mumbai 400 020.
March 31, 2011	24.09.2011	11.30 A.M.	Walchand Hirachand Hall, IMC Building, Churchgate, Mumbai 400 020.



5. 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.

6. CEO/CFO CERTIFICATION

As required under Clause 49 V of the Listing Agreement with the Stock Exchange, the Managing Director of the Company has certified to the Board his review of the Financial Statements, Cash Flow Statements and matters related to internal controls etc. in the prescribed format for the year ended March 31, 2012.

7. MEANS OF COMMUNICATION

The quarterly results are published in the newspapers and also uploaded on the website of the Company 'www.swan.co.in'.

8. SHAREHOLDER INFORMATION

a) Annual General Meeting

Date	:	September 18, 2012
Time	:	11.30 A.M.
Venue	:	Walchand Hirachand Hall, 4 th Floor, IMC Building, Churchgate, Mumbai 400 020.

b) Financial Calendar

Financial reporting for

Quarter ending Sept 30, 2012	:	Upto November 15, 2012
Quarter ending Dec 31, 2012	:	Upto February 15, 2013
Quarter ending March 31, 2013	:	Upto May 15, 2013

Annual General Meeting for the year

Ended March 31, 2013	:	Upto end of September 2013
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c) Dates of Book closure

:	September 12, 2012
:	to
:	September 18, 2012 (both days inclusive)

d) Dividend payment date

:	On or after September 18, 2012
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e) Listing on Stock Exchange at

:	Bombay Stock Exchange Limited
:	National Stock Exchange Limited
:	(Listed as on May 29, 2012)
:	The Calcutta Stock Exchange Asso. Ltd.

f) Demat ISIN Number

:	INE665A01020
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g) Stock Market Data

:	BSE Scrip Code: 503310
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Month	Volume (No. of Shares)	Price (₹)*	
		High	Low
April, 2011	42,64,386	110.50	89.30
May, 2011	46,25,407	92.50	77.10
June, 2011	47,42,011	87.00	76.00
July, 2011	48,86,247	84.40	76.05
August, 2011	65,35,175	84.90	68.00
September, 2011	73,73,123	83.40	73.00
October, 2011	98,68,711	78.70	69.00
November, 2011	66,80,990	74.45	60.60
December, 2011	65,81,536	69.00	60.10
January, 2012	67,76,352	63.00	56.00
February, 2012	62,06,676	97.80	59.30
March, 2012	69,74,948	118.95	87.80

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

9. Registrar and Share Transfer Agent

Purva Sharegistry (India) Private Limited, Gala No. 9, J.R. Boricha Marg, Shivshakti Industrial Estate, Lower Parel, Mumbai – 400 011. Tel.: 23016761/23018261. Fax: 2301 2517. Email: busicomp@vsnl.com

10. 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.

11. Distribution of Shareholding (as on March 31, 2012)

Category (No. of Equity Shares held)	Number of Shareholders	% of Shareholders	No. of Shares held	% of shareholding
1-5,000	7,624	95.47	20,18,624	2.12
5,001-10,000	170	2.13	6,29,486	0.66
10,001-20,000	74	0.92	5,60,765	0.59
20,001-30,000	22	0.28	2,82,031	0.30
30,001-40,000	23	0.29	4,13,980	0.44
40,001-50,000	12	0.15	2,64,929	0.28
50,001-1,00,000	24	0.30	7,99,528	0.84
1,00,001 and above	37	0.46	9,00,30,657	94.77
Total	7,986	100.00	9,50,00,000	100.00



12. Categories of Shareholders (as on March 31, 2012)

Category	Number of Shares held	% of Shareholdings
Resident Individuals	45,64,289	4.80
Financial Institutions	150	0.00
Promoters & associates	7,19,12,179	75.70
Bodies Corporate	87,82,475	9.24
Clearing members	44,132	0.05
L.I.C.	3,82,244	0.40
Directors	2,000	0.00
Directors Relatives	41,250	0.05
Private Sector Banks	950	0.00
Nationalised Banks	49,500	0.05
FII	83,48,846	8.79
N.R.I. (Non Repat)	8,200	0.01
N.R.I. (Repat)	5,48,964	0.58
Trust	1,050	0.00
Hindu Undivided Family	3,13,771	0.33
Total	9,50,00,000	100.00

13. Dematerialization of Shares and liquidity

The Company's shares are traded compulsorily in dematerialized form at Bombay Stock Exchange and National Stock Exchange. 98.93% of the Equity shares of your Company have been dematerialized upto March 31, 2012.

14. Address for the correspondence

Swan Energy Limited : 6, Feltham House, 2nd Floor, 10, J.N. Heredia Marg, Ballard Estate,
Mumbai 400 001. Phone: 022-40587350. Fax: +91-22-40587360. Email: swan@swan.co.in

For and on behalf of Board of Directors

Nikhil V. Merchant
Managing Director

Mumbai, August 17, 2012



Chief Executive Officer (CEO) Certification

To, The Board of Directors,
Swan Energy Limited

I, the undersigned, in my capacity as Managing Director of the Company, to the best of my knowledge and belief certify that;

- A) I have reviewed the Financial Statements for the Financial Year ended March 31, 2012 and based on my knowledge and belief state that :
- i. these statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading;
 - ii. these statements together presents a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- B) I further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.
- C) I hereby declare that all the members of the Board of Directors and the senior Management employees have confirmed compliance with the Code of Conduct as adopted by the Company.
- D) I am responsible for establishing and maintaining internal controls and for evaluating the effectiveness of the same over the Financial Reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.
- E) I have indicated, based on my most recent evaluation, wherever applicable, to the Auditors and Audit Committee :
- i. significant changes, if any, in the internal control over the Financial Reporting during the year;
 - ii. significant changes, if any, in the accounting policies made during the year and that the same has been disclosed in the notes to the financial statements; and
 - iii. instances of significant fraud of which I have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over Financial Reporting.

For and on behalf of Board of Directors

Mumbai, August 17, 2012

**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, 2012.

The objective of our examination 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 Exchanges 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.

For V. R. Renuka & Co.
Chartered Accountants
Firm Registration No. 108826W

V.R.Renuka

Proprietor

M. No. 032263

Mumbai, August 17, 2012



AUDITORS' REPORT

To the members of
Swan Energy Limited

1. We have audited the attached Balance Sheet of SWAN ENERGY LIMITED as at March 31, 2012 and the Statement of Profit and Loss Account and also the Cash Flow Statement of the Company for the year ended March 31, 2012, 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.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. These 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.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the "Order"), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act 1956' of India (the 'Act') and on the basis of such checks of the books and records of the Company as we considered 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.
4. 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 have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d. In our opinion, the Balance Sheet, the Statement of 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.
 - 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
 - f. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements, read with Notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles, generally accepted in India:
 - (i) In the case of the Balance Sheet, of the state of the Company's affairs as at March 31, 2012;
 - (ii) In the case of the Statement of Profit and Loss Account, of the Profit of the Company for the year ended on that date,
 - (iii) 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
Firm Registration No. 108826W

V.R.Renuka
Proprietor

Mumbai, August 17, 2012

M. No. 032263



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 program of verification by which all the assets of the Company are verified in a phase manner, which in our opinion, is reasonable having regard to the size of the Company and nature of its assets and no material discrepancies were noticed.
 - c. According to the information and explanation given to us, substantial part of fixed assets has not been disposed off by the Company during the year.
- ii) a. As explained to us, the management has conducted physical verification of inventory 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 inventory 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 not availed any loan from a Company covered in the register maintained u/s. 301 of the Companies Act, 1956.
 - b. During the year, the Company has granted loan to Company covered in the register maintained u/s. 301 of the Companies Act, 1956.
 - c. In our opinion, the rate of interest and other terms and conditions of loan granted by the Company are not prima facie prejudicial to the interest of the Company. Repayment is regular.
- 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 in excess of ₹ 5,00,000 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, for the present business activities of the Company, the maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956, is not required.



- (ix) a. According to the information and explanation provided to us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Income Tax, Value Added Tax, Wealth tax, Excise duty, Cess and other material statutory dues applicable to it.
- b. According to the information and explanations given to us, there are no dues of Sales Tax, Service tax, Custom Duty, Wealth Tax, Excise duty or cess outstanding on account of any dispute, other than disputed Income tax demand as under:

Sr. No.	Assessment Year	Nature of Dues	Amount (₹ In Lacs)	Forum where case is pending
1.	2003-04	Income tax	16.50	ITAT
2.	2006-07	Income tax	343.20	ITAT

- (x) As at the balance sheet date, the Company does not have any accumulated losses. 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 dealt in and/or traded in mutual funds during the year. Proper records have been maintained of the transactions and timely entries have been made therein. The investments have been held by the Company in its own name.
- (xv) According to the information and explanations given to us, the Company has given the guarantees for the loans taken by its subsidiary company from banks, the terms and conditions whereof, in our opinion, are not prejudicial to the interest of the Company.
- (xvi) In our opinion and according to the information and explanation given to us, the Company had applied the term 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.
- (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 provisions of clause (xix) of the order are not applicable to the Company.
- (xx) During the year covered by our audit report, the Company has not raised any money by way of public issue, therefore the provisions of clause (xx) of the order are not applicable to the Company.
- (xxi) To the best of 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
Firm Registration No. 108826W

V. R. Renuka
Proprietor
M.N. 032263

Mumbai, August 17, 2012

**Balance Sheet as at March 31 , 2012**

(₹ in lacs)

Particulars	Note No.	As at March 31, 2012	As at March 31, 2011
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	1	1,900.00	1,900.00
Reserves & Surplus	2	16,897.36	14,578.54
Non-Current Liabilities			
Long-Term Borrowings	3	2,772.40	6,724.19
Deferred Tax Liabilities (net)	4	366.01	183.47
Other Long Term Liabilities	5	50,703.00	15,789.49
Current Liabilities			
Short-Term Borrowings	6	3,697.93	2,957.04
Trade Payables	7	2,351.56	3,235.85
Other Current Liabilities	8	9,116.33	11,500.14
Short-Term Provisions	9	3,416.26	3,019.27
Total		91,220.85	59,887.99
ASSETS			
Non-Current Funds			
Fixed Assets - Tangible	10	10,301.30	10,204.56
Non-Current Investments	11	1,765.00	265.00
Long-Term Loans and Advances	12	14,918.60	13,770.97
Current Assets			
Current Investments	13	3,960.82	13,466.13
Inventories	14	34,933.20	7,176.65
Trade Receivables	15	3,310.50	3,642.44
Cash and Cash Equivalents	16	17,705.79	9,320.76
Short-Term Loans and Advances	17	3,709.80	2,026.23
Other Current Assets	18	615.84	15.25
Total		91,220.85	59,887.99
Significant Accounting Policies	27		
Notes on Financial Statements	1 to 44		

As per our Report of even date attached hereto

For and on behalf of the Board of Directors

For V. R. RENUKA & CO.

Chartered Accountants

Firm Registration No. 108826W

NAVINBHAI C. DAVE
ChairmanNIKHIL V. MERCHANT
Managing Director

V. R. RENUKA

Proprietor

M. No. 032263

Mumbai, August 17, 2012

ARUN S. AGARWAL

Company Secretary

PARESH V. MERCHANT

Executive Director

Mumbai, August 17, 2012

**Statement of Profit and Loss Account for the Year Ended March 31, 2012**

(₹ in lacs)

Particulars	Note No.	Year Ended March 31, 2012	Year Ended March 31, 2011
Income :			
Revenue from Operations	19	13,864.85	40,310.69
Other Income	20	1,053.50	805.63
Total Revenue		14,918.35	41,116.32
Expenses :			
Cost of Materials Consumed	21	33,376.13	7,856.26
Purchases of Stock-in-Trade	22	–	3,586.03
(Increase)/Decrease in Finished Goods and Work-in-Progress	23	(27,290.01)	16,587.44
Employee Benefit Expenses	24	434.08	188.01
Finance Costs	25	903.66	1,176.97
Depreciation and Amortization Expenses	10	419.44	156.31
Other Expenses	26	3,297.43	4,765.84
Total Expenses		11,140.73	34,316.86
Profit before Tax		3,777.62	6,799.46
Tax Expense :			
(1) Current tax		945.03	2,258.67
(2) Deferred Tax		182.54	159.05
Profit for the Year		2,650.05	4,381.74
Earnings Per Equity Share			
Basic and diluted (in ₹)		2.79	4.61
Significant Accounting Policies	27		
Notes on Financial Statements	1 to 44		

As per our Report of even date attached hereto

For V. R. RENUKA & CO.

Chartered Accountants

Firm Registration No. 108826W

NAVINBHAI C. DAVE
Chairman

For and on behalf of the Board of Directors

NIKHIL V. MERCHANT
Managing Director

V. R. RENUKA

Proprietor

M. No. 032263

Mumbai, August 17, 2012

ARUN S. AGARWAL

Company Secretary

PARESH V. MERCHANT

Executive Director

Mumbai, August 17, 2012

**Cash Flow Statement for the year ended March 31 , 2012**

(₹ in lacs)

Particulars	Year Ended March 31, 2012	Year Ended March 31, 2011
A Cash Flow from Operating Activities		
Profit before tax	3,777.62	6,799.46
Adjustments for :		
Depreciation	419.44	156.31
(Profit) / Loss on sale of assets	-	(1.00)
Considered Separately :		
Dividend Income	(173.64)	(239.81)
Interest Received	(332.51)	(180.49)
Financial Cost	903.66	1,176.97
Operating Profit before Working Capital Changes	4,594.57	7,711.44
Adjustments for :		
Trade & Other Receivables	(989.44)	(1,311.42)
Inventories	(27,756.55)	16,323.58
Trade Payables and Other Liabilities	34,151.13	(18,466.06)
Cash generated from operations	9,999.71	4,257.54
Direct Taxes (Paid)/Received	(2,110.41)	(3,070.33)
Net Cash from Operating Activities (A)	7,889.30	1,187.21
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	(516.18)	(3,154.18)
Proceeds from Sale of Fixed Assets	-	1.00
Sale of Investments	9,505.32	7,589.52
Purchase of Investment in Subsidiary	(1,500.00)	-
Dividend Income	173.64	239.81
Interest Income	332.51	180.49
Net Cash from Investing Activities (B)	7,995.29	4,856.64
C. Cash Flow from Financing Activities		
Repayment of Long Term & Short Term Borrowings	(6,264.67)	(6,435.14)
Finance Cost	(903.66)	(1,176.97)
Dividend Paid	(285.00)	(190.00)
Tax on Dividend	(46.23)	(30.82)
Net Cash from Financing Activities (C)	(7,499.56)	(7,832.93)
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	8,385.03	(1,789.08)
Opening Balance of Cash & Cash Equivalents	9,320.76	11,109.84
Closing Balance of Cash & Cash Equivalents	17,705.79	9,320.79

As per our Report of even date attached hereto

For V. R. RENUKA & CO.

Chartered Accountants

Firm Registration No. 108826W

NAVINBHAI C. DAVE
Chairman

For and on behalf of the Board of Directors

NIKHIL V. MERCHANT
Managing Director

V. R. RENUKA

Proprietor

M. No. 032263

Mumbai, August 17, 2012

ARUN S. AGARWAL

Company Secretary

PARESH V. MERCHANT

Executive Director

Mumbai, August 17, 2012

**Notes to the Financial Statement for the year ended March 31, 2012****1 SHARE CAPITAL****(a) Authorised Share Capital**

Particulars	2011-2012 ₹ in Lacs	2010-2011 ₹ in Lacs
15,000 (2010-2011 : 15,000) 11% Cumulative Redeemable Preference Shares of ₹ 100 each	15.00	15.00
10,000 (2010-2011 : 10,000) 11% Cumulative Preference Shares of ₹ 100 each	10.00	10.00
50,00,00,000 (2010-2011 : 50,00,00,000) Equity Shares of ₹ 2 each	10,000.00	10,000.00
Total	10,025.00	10,025.00

(b) Issued, subscribed and paid up :

Particulars	2011-2012 ₹ in Lacs	2010-2011 ₹ in Lacs
9,50,00,000 (2010-2011 : 9,50,00,000) Equity Shares of ₹ 2/- each fully paid up.	1,900.00	1,900.00
Total	1,900.00	1,900.00

(c) A reconciliation of the number of shares outstanding is set out below :

Particulars	2011-2012		2010-2011	
	Number	₹ in Lacs	Number	₹ in Lacs
Outstanding At the beginning of the year	95,000,000	1,900.00	95,000,000	1,900.00
Outstanding At the end of the year	95,000,000	1,900.00	95,000,000	1,900.00

(d) Details of shareholders, holding more than 5% shares in the company :

Particulars	2011-2012		2010-2011	
	No. of Shares	% holding	No. of Shares	% holding
Dave Impex Private Limited	23,015,200	24.23	23,015,200	24.23
Swan Engitech Works Private Limited	19,201,429	20.21	19,201,429	20.21
Swan Realtors Private Limited	20,794,500	21.89	20,794,500	21.89

**2 Reserves and Surplus**

Particulars	2011-2012		2010-2011	
	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
Capital Reserves		5,810.64		5,810.64
Capital Redemption Reserve		14.25		14.25
Securities Premium Reserve		0.43		0.43
Other Reserves				
Workmen's Welfare Reserve		0.25		0.25
Surplus i.e. balance in Statement of Profit & Loss				
At the beginning of the year	8,752.97		4,592.05	
Add: Profit during the year	2,650.05		4,381.74	
Less: Appropriation				
Proposed dividend on equity shares	(285.00)		(190.00)	
Tax on proposed equity dividend	(46.23)		(30.82)	
At the end of the year		11,071.79		8,752.97
Total		16,897.36		14,578.54

3 Long Term Borrowings

Particulars	2011-2012	2010-2011
	₹ in Lacs	₹ in Lacs
(a) Term loans		
from banks (Secured)	2,768.82	6,659.73
(b) Other loans and advances		
Vehicle Loan	3.58	64.46
Total	2,772.40	6,724.19

Term loan from banks include:

- ICICI Bank loan: NIL (2010-2011: ₹ 3,400 lacs). Secured by mortgage of properties financed, i.e., receivables, land at Kurla and construction thereon.
- Union Bank of India and Oriental Bank of Commerce : ₹ 2,768.82 lacs (2010-2011: ₹ 3,259.73 lacs). Secured by mortgage of property at Ahmedabad for Textile project.
Vehicle loan is secured by hypothecation of Vehicle.

4 Deferred Tax Liabilities (Net)

Particulars	2011-2012	2010-2011
	₹ in Lacs	₹ in Lacs
Deferred Tax Liability		
Related to Fixed Assets	366.01	183.47
Total	366.01	183.47

5 Other Long Term Liabilities

Particulars	2011-2012	2010-2011
	₹ in Lacs	₹ in Lacs
(a) Trade payables	-	-
(b) Others		
Project Advances	50,600.88	15,698.28
Rental Deposits	2.76	2.52
Society Deposit from Customer	99.08	88.41
Security Deposit	0.28	0.28
Total	50,703.00	15,789.49

**6 Short-term borrowings**

Particulars	2011-2012	2010-2011
	₹ in Lacs	₹ in Lacs
Working Capital Loans		
from banks (Secured)	1,972.73	523.82
Loans repayable on demand		
from other parties (Unsecured)	1,725.20	2,433.22
Total	3,697.93	2,957.04

Working Capital Bank loan is from Union Bank of India and Oriental Bank of Commerce, which is secured against 1st pari passu charge on hypothecation of Inventories and Book debts of the textiles division.

7 Trade Payables

Particulars	2011-2012	2010-2011
	₹ in Lacs	₹ in Lacs
Micro, Small & Medium Enterprises	-	-
Others	2,351.56	3,235.85
Total	2,351.56	3,235.85

Identification of Micro, Small and Medium Enterprises is not possible due to information not furnished by the suppliers.

8 Other current liabilities

Particulars	2011-2012	2010-2011
	₹ in Lacs	₹ in Lacs
(a) Current maturities of long-term debt;		
Term loan from banks	6,304.15	10,050.00
Vehicle loan	70.43	86.37
(b) Interest accrued but not due on borrowings;	24.67	59.93
(c) Other payables		
Outstanding Expenses	63.94	60.43
Duties & Taxes	1,300.33	187.08
Retention Money	1,248.23	948.00
Unpaid Dividend	2.38	1.20
Creditors for Capital Expenditure	102.20	107.13
Total	9,116.33	11,500.14

Current maturities of long-term debt includes:

- ICICI Bank loan: ₹ 3,304.15 lacs (2010-2011: ₹ 6,600 lacs). Secured by mortgage of properties financed, i.e. receivables, land at Kurla and construction thereon.
- Union Bank of India and Oriental Bank of Commerce: ₹ 1,000 lacs (2010-2011: ₹ 950 lacs) Secured by mortgage of property at Ahmedabad for Textile project.
- Sicom loan: ₹ 2,000 Lacs (2010-2011: ₹ 2500 lacs). Secured by pledge of part of Equity Shares held by the promoters.

Vehicle loan is secured by hypothecation of Vehicle



9 Short-term provisions

Particulars	2011-2012	2010-2011
	₹ in Lacs	₹ in Lacs
Proposed Dividend on Equity Shares	285.00	190.00
Tax Payable on Proposed Dividend	46.23	30.82
Provision for taxation	3,085.03	2,140.00
Provision for Purchase	-	658.45
Total	3,416.26	3,019.27

10 Fixed Assets - Tangibles

(₹ in lacs)

DESCRIPTION OF ASSETS	GROSS BLOCK (At cost or valuation)				DEPRECIATION				NET BLOCK	
	As at 01.04.2011	Additions for the year	Deductions for the year	As at 31.03.2012	As at 01.04.2011	For the year	Adjustments for the year	As at 31.03.2012	As at 31.03.2012	As at 31.03.2011
Land	3,202.19	-	-	3,202.19	-	-	-	-	3,202.19	3,202.19
Buildings	991.89	168.30	-	1,160.19	9.53	36.06	-	45.59	1,114.60	982.36
Plant and Machinery	5,390.82	148.04	-	5,538.86	99.49	299.12	-	398.61	5,140.25	5,291.33
Computers	14.52	35.61	-	50.13	3.06	6.05	-	9.11	41.02	11.47
Furniture fixtures and Equipments	329.42	145.00	-	474.42	46.21	22.43	-	68.64	405.78	283.21
Motor Vehicles	575.35	19.23	-	594.58	141.34	55.78	-	197.12	397.46	434.01
TOTAL	10,504.19	516.18	-	11,020.37	299.63	419.44	-	719.07	10,301.30	10,204.56
Previous Year	3,380.73	7,132.88	9.42	10,504.19	152.74	156.31	9.42	299.63	10,204.56	3,227.99

11 Non-current investments

Particulars	2011-2012	2010-2011
	₹ in Lacs	₹ in Lacs
(a) Investments in Equity Instruments		
Subsidiary Company - Unquoted		
1,50,10,000 (2010-2011: 9998) Equity Shares of ₹ 10/- each in Cardinal Energy and Infrastructure Private Limited - 100% holding (2010-2011: 99.98% holding)	1,501.00	1.00
Other Company – Unquoted		
26,40,000 Equity Shares of ₹ 10/- each in Shaan Leisure Limited	264.00	264.00
Total	1,765.00	265.00

**12 Long-term loans and advances**

Particulars	2011-2012	2010-2011
	₹ in Lacs	₹ in Lacs
(a)Capital Advances;	284.79	518.46
(b)Security Deposits;	161.98	92.54
(c)Loans and advances to related parties		
Ami Industries Private Limited - Associate	753.23	380.00
Cardinal Energy & Infrastructure Pvt. Ltd - Subsidiary	13,680.32	-
(d)Other loans and advances (Unsecured, considered good)	38.28	12,779.97
Total	14,918.60	13,770.97

13 Current Investments

Particulars	2011-2012	2010-2011
	₹ in Lacs	₹ in Lacs
(a) Investments in Mutual Funds		
1571 ICICI Prudential Money Market Fund Cash Option Growth (19,94,516 Units)	2,958.21	-
BPBIG ICICI Prudential Blended Plan B Institutional Growth Option-II (43,39,939 Units)	502.27	
1587 ICICI Prudential Banking & PSU Debt Premium Plus Growth (42,25,543 Units)	500.34	-
1485 - ICICI Prudential Ultra Short Term Plan Super Premium Weekly Dividend (2,04,079 Units)	-	20.60
1542 - ICICI Prudential Floating Rate Plan D - Daily Dividend (8,07,810 Units)	-	808.00
(b) Other investments		
Share Application Money		
GSPC Pipavav Power Company Limited	-	12,637.53
Total	3,960.82	13,466.13

Total Market Value of Mutual Funds **3,960.82** **828.6**

14 Inventories

Particulars	2011-2012	2010-2011
	₹ in Lacs	₹ in Lacs
Construction Work-in-progress	32,746.27	6,544.57
Textiles		
(a) Raw materials	657.01	263.86
(b) Work-in-progress	938.71	275.36
(c) Finished goods	517.83	92.86
(d) Stores and spares	73.38	-
Total	34,933.20	7,176.65

**15 Trade Receivables**

Particulars	2011-2012	2010-2011
	₹ in Lacs	₹ in Lacs
Unsecured, Considered good		
Debts due for more than 6 months	851.98	1,034.26
Less: Provision for Doubtful Debts	-	-
Other Debts	2,458.52	2,608.18
Total	3,310.50	3,642.44

16 Cash and cash equivalents

Particulars	2011-2012	2010-2011
	₹ in Lacs	₹ in Lacs
(a)Balances with banks;		
In Current Accounts	15,714.98	4,275.01
In Deposit Accounts (less than 3 months maturity)	1,974.49	5,037.25
(b)Cash on hand;	13.94	7.30
(c) Others		
Earmarked balance for Unpaid dividend	2.38	1.20
Total	17,705.79	9,320.76

17 Short-term loans and advances

Particulars	2011-2012	2010-2011
	₹ in Lacs	₹ in Lacs
Other Loans & Advances		
Advance paid to suppliers	76.00	496.71
Advance Income Tax	3,624.79	1,514.38
Loans to staff	6.44	15.14
Prepaid Insurance	2.57	-
Total	3,709.80	2,026.23

18 Other current assets

Particulars	2011-2012	2010-2011
	₹ in Lacs	₹ in Lacs
Interest Receivable others	0.43	7.33
Interest accrued on Fixed Deposits	24.75	7.92
TUF Subsidy Receivable	590.66	-
Total	615.84	15.25

**19 Revenue from Operations**

Particulars	2011-2012	2010-2011
	₹ in Lacs	₹ in Lacs
Sale of products;		
- Textile Goods	7,084.34	4,588.46
- Construction Activities	6,780.51	35,722.23
Total	13,864.85	40,310.69

20 Other income

Particulars	2011-2012	2010-2011
	₹ in Lacs	₹ in Lacs
(a) Interest Income	332.51	180.49
(b) Dividend Income on mutual fund units	173.64	239.81
(c) Net gain on sale of mutual fund units	184.84	352.12
(d) Net gain on sale of Fixed Assets	-	1.00
(e) TUF Subsidy	296.40	-
(f) Other non-operating income	66.11	32.21
Total	1,053.50	805.63

21 Cost of Materials consumed

Particulars	2011-2012	2010-2011
	₹ in Lacs	₹ in Lacs
Raw Material Consumed – Textiles	7,382.99	1,356.87
Stores & Spares consumed - Textiles	168.41	9.79
Material used in Construction Activities	25,824.73	6,489.60
Total	33,376.13	7,856.26

22 Purchases of Stock-in-Trade

Particulars	2011-2012	2010-2011
	₹ in Lacs	₹ in Lacs
Fabric Purchases	-	3,586.03
Total	-	3,586.03

23 Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade

Particulars	2011-2012	2010-2011
	₹ in Lacs	₹ in Lacs
Finished Goods		
Opening Stock	92.86	7.38
Closing Stock	517.83	92.86
Changes in Inventory of Finished Goods	(424.97)	(85.48)
Work in Progress		
Opening Stock	6,819.94	23,492.85
Closing Stock	33,684.98	6,819.93
Changes in Inventory Work in Progress	(26,865.04)	16,672.92
Total	(27,290.01)	16,587.44

**24 Employee benefit expenses**

Particulars	2011-2012	2010-2011
	₹ in Lacs	₹ in Lacs
Salaries Wages and bonus	415.71	187.43
Company's Contribution to Provident fund	0.35	0.20
Company's Contribution to ESIC	2.86	0.38
Leave Travel Allowance	10.21	-
Staff Welfare Expenses	4.95	
Total	434.08	188.01

25 Finance Costs

Particulars	2011-2012	2010-2011
	₹ in Lacs	₹ in Lacs
(a) Interest expense;	903.38	1,170.35
(b) Other borrowing costs;	0.28	6.62
Total	903.66	1,176.97

26 Other Expenses

Particulars	2011-2012	2010-2011
	₹ in Lacs	₹ in Lacs
Towards Construction Activities		
Architect fees	313.99	594.10
Rates & Taxes	1,009.26	518.57
Security Charges	177.71	195.18
Power & Fuel	131.96	139.51
Other Development Expenses	431.15	2,383.77
	2,064.07	3,831.13
Advertisement Expenses	6.14	3.05
Audit Fees	1.20	1.20
Brokerage & Commission	56.06	0.05
Business Development Expenses	60.20	38.06
Communication cost	17.95	13.95
Donation	10.05	17.66
Freight Charges	96.57	-
Insurance	12.70	3.27
Legal & Professional fees	166.73	125.90
Listing fees	1.10	0.72
Membership & Subscription	58.23	17.82
Power & Fuel	190.58	27.90
Printing & Stationery	13.36	5.08
Rates & Taxes	10.44	1.76
Rent	2.94	2.84
Repair & Maintenance - Building	0.18	-
Repair & Maintenance - Machinery	5.89	-
Repair & Maintenance - Others	7.38	5.40
Vehicle Expenses	26.56	19.90
Miscellaneous Expenses	489.10	650.15
Total	3,297.43	4,765.84



27 Significant Accounting Policies

A. Basis of Preparation of Financial Statements

The financial statements have been prepared to comply with the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year. The financial statements are presented in the general format specified in Revised Schedule VI to the Companies Act, 1956.

B. Use of Estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable.

C. Fixed Assets

Fixed assets are stated at cost, less accumulated depreciation, less Subsidiary, if any. Cost comprises the purchase price and all attributable cost of bringing the asset to its working condition for its intended use.

D. Depreciation and Amortisation

Depreciation is provided on Straight Line Method as per the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956

E. Investments

Investments are classified into Non-Current and Current Investments.

- i) Non-Current Investments are valued at cost. Provision for diminution, if any, in the value of each Non-Current Investments is made to recognise a decline, other than of a temporary nature.
- ii) Current investments are valued at lower of the cost or market value and the resultant decline, if any is charged to revenue.

F. 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 in the nature of unsold flats and textile goods are valued at Cost.

G. Revenue Recognition

- i. Sales/other income are net of amount payable to the developer and taxes, if any.
- ii. The Company is engaged in the Business of textiles and development of property. In consonance with the practice followed, the sales/revenue is being recognised on substantial completion and/or sale of the property/unit in respect of business of development of property.
- iii. All expenses incurred, including interest, selling & distribution expenses on project is shown under Work-in-progress and amount, received from Customer towards booking of the area is shown in Project Advances in respect of properties under construction.
- iv. Interest income is recognised on time basis determined by the amount outstanding and the rate applicable.
- v. Dividend income is recognised when the right to receive the payment is established.



H. Foreign Currency Transaction

Transactions in Foreign Exchange are accounted at the exchange rate prevailing on the date the transaction has taken place.

I. Taxation

Tax expenses are the aggregate of current tax and deferred tax charged or credited in the statement of Profit and Loss for the year.

i) **Current Tax**

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income-tax Act, 1961.

ii) **Deferred Tax**

Deferred tax charge or credit reflects the tax effects of timing differences between accounting income and taxable income for the year. The deferred tax charge or credit and the deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognised only to the extent there is virtual certainty that the assets can be realised in future.

J. Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. 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 Profit and Loss account.

K. Impairment of Assets

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

L. Provisions, Contingent Liabilities and Contingent Assets

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

M. Government Grants

Government grants and subsidies are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants / subsidy will be received. Government grants whose primary condition is that the Company should purchase, construct or otherwise acquire capital assets are presented by deducting them from the carrying value of the assets. The grant is recognised as income over the life of a depreciable asset by way of a reduced depreciation charge while grants related to expenses are treated as other income in the income statement.

N. Segment Reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance. The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.



O. Construction Activities

Construction cost incurred in respect of Project under construction at Sewri and Kurla are considered as W.I.P and shown as Current Assets under inventories. The amount received as sale of units in respect of properties under construction are considered as Project Advances reduced to the extent it is paid/payable to the developer.

28 Subsidiary Information

"Cardinal Energy and Infrastructure Private Limited" is now 100 % Subsidiary of the Company. Though the Company has started its commercial activities during the year, the consolidation of accounts has not been done since there is no income/revenue of the Company. As per Section 212 of the Companies Act, 1956, the final accounts of the Subsidiary company is published separately herewith.

	Year Ended March 31, 2012	Year Ended March 31, 2011
29 Earning per Share		
i) Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders (₹ in Lacs)	2,650.05	4,381.74
ii) Weighted average number of shares used as denominator for calculating Basic and Diluted Earning per Share	95,000,000	95,000,000
iii) Face Value of share (₹ per share)	2.00	2.00
iv) Basic/Diluted earning per share (in ₹)	2.79	4.61
30 Contingent Liabilities		
Income Tax (₹ in lacs)	359.70	359.70
Corporate Guarantee (₹ in lacs)	17,000	-
31 Payment to Auditors:		
As Auditor		
i) Statutory Audit Fees (₹ in Lacs)	0.80	0.80
ii) Tax Audit Fees (₹ in Lacs)	0.40	0.40
	1.20	1.20
32 Raw Material Consumed		
Grey Material for Textile (₹ in Lacs)	7,382.99	1,356.87
33 Sale of products		
Textile - Traded		
Quantity (in Lac Metres)	-	39.59
Value (₹ in Lacs)	-	3,592.20
Textile - Manufactured		
Quantity (in Lac Metres)	95.31	9.99
Value (₹ in Lacs)	7,084.34	996.25



	Year Ended March 31, 2012	Year Ended March 31, 2011
34 Purchase/Manufacture of products		
Textile - Traded		
Quantity (in Lac Metres)	-	39.59
Value (₹ in Lacs)	-	3,586.55
Textile - Manufactured		
Quantity (in Lac Metres)	88.77	17.15
Value (₹ in Lacs)	6,628.71	1,598.30
35 Stock in trade and Construction Work in Progress		
A Textiles:		
i) Raw materials		
Quantity (in Lac Metres)	7.73	3.06
Value (₹ in Lacs)	657.01	263.86
ii) Work-in-progress		
Quantity (in Lac Metres)	10.32	3.10
Value (₹ in Lacs)	938.71	275.36
iii) Finished goods		
Quantity (in Lac Metres)	5.28	1.00
Value (₹ in Lacs)	517.83	92.86
iv) Dyes, Chemicals, Stores and spares (₹ in Lacs)	73.38	-
B Real Estate:		
Construction Work-in-progress		
Value (₹ in Lacs)	32,746.27	6,544.57
36 Value of Imports on CIF Basis		
Capital Goods (₹ in Lacs)	221.98	2,107.70
37 Expenditure in Foreign Currency		
i) Travelling Expenses (₹ in Lacs)	-	1.27
ii) Professional Charges (₹ in Lacs)	16.41	-
38 Earnings in Foreign Currency		
FOB Value of Exports		
Quantity (in Lac Metres)	0.23	-
Value (₹ in Lacs)	21.90	-



39 Related Party Disclosure

Disclosure as required by the accounting Standard 18 “Related Party Disclosure” are given below:

A List of Related Parties:

- I) Cardinal Energy and Infrastructure Private Limited - Subsidiary
- ii) Ami Tech (India) Private Limited - Associate
- iii) Feltham Trading Private Limited -
Enterprise over which Key Management Personnel is able to Exercise Significant Influence
- iv) Mr.Nikhil V Merchant - Key Management Personnel
- v) Mr.Paresh V Merchant - Key Management Personnel

B Transactions during the year with related parties:

	Year Ended March 31, 2012	Year Ended March 31, 2011
i) Cardinal Energy and Infrastructure Private Limited - Subsidiary		
Purchase of Shares (₹ in Lacs)	1,500.00	-
Advances given (₹ in Lacs)	30,624.32	-
Advances received back (₹ in Lacs)	16,944.00	-
Receivable (₹ in Lacs)	13,680.32	-
ii) Ami Tech (India) Private Limited - Associate		
Loans taken (₹ in Lacs)	-	1,610.00
Loans paid back (₹ in Lacs)	-	1,610.00
Loans given (₹ in Lacs)	2,605.27	820.00
Loans received back (₹ in Lacs)	2,295.27	540.00
Interest Received (₹ in Lacs)	63.23	5.93
Receivable (₹ in Lacs)	753.23	380.00
iii) Feltham Trading Private Limited - Enterprise over which Key Management Personnel is able to Exercise Significant Influence		
Rent Paid (₹ in Lacs)	1.44	1.44
iv) Mr.Nikhil V Merchant - Key Management Personnel		
Remuneration Paid (₹ in Lacs)	65.00	50.00
v) Mr.Paresh V Merchant - Key Management Personnel		
Remuneration Paid (₹ in Lacs)	65.00	50.00
Rent Paid (₹ in Lacs)	1.02	1.02



40 Segment Reporting

The company has identified business segments as primary segments.

The reportable business segments are Textile and Property Development/Others.

	Year Ended March 31, 2012 ₹ In lacs	Year Ended March 31, 2011 ₹ In lacs
Segment Revenue		
Textiles	7,084.34	4,588.45
Property Development/Others	7,834.01	36,347.37
Total	14,918.35	40,935.82
Segment Results		
Textiles	(980.74)	(359.73)
Property Development/Others	3,630.79	4,741.47
Total	2,650.05	4,381.74
Segment Assets		
Textiles	12,170.38	8,973.03
Property Development/Others	79,050.47	42,721.39
Total	91,220.85	51,694.42
Segment Liabilities		
Textiles	6,534.11	5,655.53
Property Development/Others	84,686.74	46,038.89
Total	91,220.85	51,694.42

Note:-

i) Others include expenses / investments made on the projects related to Energy/FSRU.

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

41 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.

42 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.

43 The Company had entered into Development Agreement with Peninsula Land Ltd (Formerly Piramal Holdings Ltd) to develop and sale properties at Mumbai and as per the said agreement, they are entitled to 22% of the gross receipt. The transactions and effect thereof are already given in this accounts.

44 Previous Year's figures are regrouped/rearranged wherever necessary.



Statement pursuant to Section 212 (3) and 212 (5) of the Companies Act, 1956

The interest of Swan Energy Limited in its Subsidiary Company as at March 31, 2012

1. Name of the Subsidiary Company : Cardinal Energy and Infrastructure Private Limited.
2. For the period : From 01-04-2011 to 31-03-2012
3. Extent of interest of the Company
 - a) Number of Shares 1,50,10,000 Equity Shares
 - b) Value ₹ 15,01,00,000/-
4. Net aggregate amount of Subsidiary's Profit / (Loss) not dealt with in the Company's Accounts:
 - a) For the year ended 31.03.2012 : (₹ 441,234/-)
 - b) In respect of earlier years : (₹ 19,271/-)
5. During the year, the holding Company has purchased 1,50,00,002 Equity shares of ₹ 10/- each of the subsidiary company, thereby making it a 100% subsidiary company.

**ACCOUNTS OF SUBSIDIARY COMPANY:
CARDINAL ENERGY AND INFRASTRUCTURE PRIVATE LIMITED
DIRECTORS' REPORT**

Dear Shareholders,

Your Directors have pleasure in presenting their Fourth Annual Report of your Company together with the Audited Accounts of your Company for the year ended March 31, 2012.

FINANCIAL RESULTS

During the financial year, Your Company has incurred a net loss of ₹ 441,234/-. No Provision for Tax has been made in view of Losses.

REVIEW OF OPERATIONS

Your Company has commenced its commercial activities during the year under review and has acquired two semi-finished commercial properties at Hyderabad and Bangaluru. For Bengaluru property, lease agreement has already been executed with a leading MNC IT company. Talks are on to finalise lease agreement for Hyderabad property. The balance construction work and fitouts at both the properties are under progress.

DIVIDEND

In view of the Losses, the Directors do not propose any dividend in the current year.

FIXED DEPOSITS

Your Company has not accepted any fixed deposit during the year ended March 31, 2012.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217 (2AA) of the Companies Act, 1956 ("the Act"), the Directors confirm that:

- i) In the preparation of Annual Accounts, the applicable accounting standards had been followed consistently and there is no material departure;
- ii) The Directors had selected such accounting policies and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as at March 31, 2012;
- iii) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities; and
- iv) The Directors had prepared the annual accounts on a going concern basis.

AUDITORS' REPORT

Report of the Auditors' notes on Accounts is self explanatory and need no elaboration.

PARTICULARS OF EMPLOYEES

Section 217(2A) of the Act, read with the Companies (Particulars of Employees) Rules, 1975 is not applicable.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO

In view of the nature of activities being carried on by the Company, particulars required under conservation of energy and, technology absorption is not required.

Foreign exchange earnings and outgo: Nil

AUDITORS

M/s V.R.RENUKA & CO; Chartered Accountants, Mumbai existing Auditors will retire at the ensuing Annual General Meeting of your Company. They, being eligible to be re-appointed, have expressed their willingness to be re-appointed as the Statutory Auditors' of your Company for the financial year 2012-13.

ACKNOWLEDGEMENT

The Board of Directors wish to place on record their appreciation for the support and co-operation extended, by Swan Energy Limited, the Auditors and Bankers of your Company.

For and on behalf of the Board of Directors

PARESH V. MERCHANT
Director

Mumbai, August 17, 2012

Mumbai, August 17, 2012.

AUDITORS REPORT

**To the Members of
Cardinal Energy and Infrastructure Private Limited**

1. We have audited the attached Balance Sheet of CARDINAL ENERGY AND INFRASTRUCTURE PRIVATE LIMITED as at March 31, 2012 and the Statement of Profit and Loss Account and also the Cash Flow Statement of the Company for the year ended March 31, 2012, 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.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. These 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.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the "Order"), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act 1956' of India (the 'Act') and on the basis of such checks of the books and records of the Company as we considered 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.
4. 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 have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, the Statement of 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.
 - 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.
 - f). In our opinion and to the best of our information and according to the explanations given to us, the said financial statements, read with Notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles, generally accepted in India:
 - (i) In the case of the Balance Sheet, of the state of the Company's affairs as at March 31, 2012;
 - (ii) In the case of the Statement of Profit & Loss Account, of the Loss of the Company for the year ended on that date,
 - (iii) 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
Firm Reg. Number-108826W**

**V. R. Renuka
Proprietor
M. No. 032263**

Mumbai, August 17, 2012

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 program of verification by which all the assets of the Company are verified in a phase manner, which in our opinion, is reasonable having regard to the size of the Company and nature of its assets and no material discrepancies were noticed.
c. According to the information and explanation given to us, substantial part of fixed assets has not been disposed off by the Company during the year.
- ii) a. During the year, the Company has availed loan from a Company covered in the register maintained u/s. 301 of the Companies Act, 1956.
b. During the year, the Company has not granted loan to Company covered in the register maintained u/s. 301 of the Companies Act, 1956.
c. In our opinion, the rate of interest and other terms and conditions of loan given by the Company are not prima facie prejudicial to the interest of the Company. Repayment is regular.
- iii) a. According to the information and explanation provided to us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Income Tax, Value Added Tax, Wealth tax, Excise duty, cess and other material statutory dues applicable to it.
b. According to the information and explanations given to us, there are no dues of Sales Tax, Service tax, Custom Duty, Wealth Tax, Excise duty or cess outstanding on account of any dispute.
- iv) 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.
- v) In our opinion and according to the information and explanation given to us, the Company had applied the term loans for the purpose for which the loan was obtained.
- vi) Other clause of the para are not applicable to the Company.

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

**Firm Reg. Number-108826W
V. R. Renuka
Proprietor
M. No. 032263**

Mumbai, August 17, 2012

Balance Sheet as at March 31, 2012

(₹ in lacs)

Particulars	Note No.	Year Ended March 31, 2012	Year Ended March 31, 2011
EQUITY AND LIABILITIES			
Shareholder's Funds			
Share Capital	1	1,501.00	1.00
Reserves and Surplus	2	(4.93)	(0.52)
Non-Current Liabilities			
Long-Term Borrowings	3	30,680.32	-
Other Long Term Liabilities	4	81.86	-
Current Liabilities			
Other Current Liabilities	5	3.02	0.13
TOTAL		32,261.27	0.61
ASSETS			
Non-Current Assets			
Fixed Assets - Capital work-in-progress	6	28,193.30	-
Long-Term Loans and Advances	7	3,055.63	-
Other Non-Current Assets	8	32.69	0.21
Current Assets			
Cash and Cash Equivalents	9	974.32	0.40
Short-Term Loans and Advances	10	5.33	-
TOTAL		32,261.27	0.61
Significant Accounting Policies	12		
Notes on Financial Statements	1 to 16		
As per our report of even date attached hereto			
For V.R.Renuka & CO.		For and on behalf of the Board of Directors	
Chartered Accountants			
Firm Registration No. 108826W	Paresh V. Merchant	Nikhil V. Merchant	
	Director	Director	
V.R. Renuka			
Proprietor			
M No. 032263			
Mumbai, August 17, 2012		Mumbai, August 17, 2012	

Statement of Profit and Loss for the year ended March 31, 2012

(₹ in lacs)

Particulars	Note No.	Year Ended March 31, 2012	Year Ended March 31, 2011
Income:			
Revenue from Operations		-	-
Other Income		-	-
Total Revenue		-	-
Expenses:			
Other Expenses	11	4.41	0.19
Total Expenses		4.41	0.19
Profit/(Loss) before Tax		(4.41)	(0.19)
Tax Expense:			
(1) Current tax		-	-
(2) Deferred Tax		-	-
Profit/(Loss) for the Year		(4.41)	(0.19)
Earnings Per Equity Share			
Basic and diluted (in ₹)		(0.03)	(1.93)
Significant Accounting Policies	12		
Notes on Financial Statements	1 to 16		
As per our report of even date attached hereto			
For V.R.Renuka & CO.		For and on behalf of the Board of Directors	
Chartered Accountants			
Firm Registration No. 108826W	Paresh V. Merchant	Nikhil V. Merchant	
	Director	Director	
V.R. Renuka			
Proprietor			
M No. 032263			
Mumbai, August 17, 2012		Mumbai, August 17, 2012	

Cash Flow Statement for the year ended March 31, 2012

(₹ in lacs)

Particulars	Year Ended March 31, 2012	Year Ended March 31, 2011
A Cash Flow from Operating Activities		
Profit before tax	(4.41)	(0.19)
Adjustments for :		
Preliminary Expenses	3.64	0.02
Considered Separately:		
Operating Profit before Working Capital Changes	(0.77)	(0.17)
Adjustments for :		
Trade & Other Receivables	(3,060.96)	(0.37)
Trade Payables and Other Liabilities	84.75	-
Cash generated from operations	(2,976.98)	(0.54)
Direct Taxes (Paid)/Received	-	-
Net Cash from Operating Activities (A)	(2,976.98)	(0.54)
B Cash Flow from Investing Activities		
Payment of Preliminary Expenses	(36.12)	-
Purchase of Fixed Assets	(28,193.30)	-
Net Cash from Investing Activities (B)	(28,229.42)	-
C Cash Flow from Financing Activities		
Issue of Share Capital	1,500.00	-
Proceeds/(Repayment) of Long Term & Short Term Borrowings	30,680.32	-
Net Cash from Financing Activities (C)	32,180.32	-
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	973.92	(0.54)
Opening Balance of Cash & Cash Equivalents	0.40	0.94
Closing Balance of Cash & Cash Equivalents	974.32	0.40
As per our report of even date attached hereto		
For V.R.Renuka & CO. Chartered Accountants Firm Registration No. 108826W V.R. Renuka Proprietor M No. 032263 Mumbai, August 17, 2012	Paresh V. Merchant Director	For and on behalf of the Board of Directors Nikhil V. Merchant Director Mumbai, August 17, 2012

Notes on Financial Statement for the year ended March 31, 2012

1 Share Capital

(a) Authorised Share Capital:

Particulars	2011-2012	2010-2011
	₹ in Lacs	₹ in Lacs
5,00,00,000 (2010-2011: 10,000) Equity shares of ₹ 10/- each	5,000.00	1.00
Total	5,000.00	1.00

(b) Issued, subscribed and paid up:

Particulars	2011-2012	2010-2011
	₹ in Lacs	₹ in Lacs
1,50,10,000 (2010-2011: 10,000) Equity shares of ₹ 10/- each, fully paid up	1,501.00	1.00
Total	1,501.00	1.00

(c) A reconciliation of the number of shares outstanding is set out below:

Particulars	2011-2012		2010-2011	
	Number of shares	₹ in Lacs	Number of shares	₹ in Lacs
Outstanding At the beginning of the year	10,000	1.00	10,000	1.00
Add: Issued during the year	15,000,000	1,500.00	-	-
Outstanding At the end of the year	15,010,000	1,501.00	10,000	1.00

(d) Details of shares held by Controlling entity

Particulars	2011-2012		2010-2011	
	Number of shares	₹ in Lacs	Number of shares	₹ in Lacs
Holding Company				
Swan Energy Limited (SEL)	15,010,000	1,501.00	10,000	1.00

e) Details of shareholders, holding more than 5% shares in the company:

Particulars	2011-2012		2010-2011	
	Number of shares	% holding	Number of shares	% holding
Holding Company				
Swan Energy Limited (SEL)	15,010,000	100.00	10,000	100.00

2 Reserves and Surplus

Particulars	2011-2012		2010-2011	
	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
Surplus i.e. balance in Statement of Profit & Loss				
At the beginning of the year	(0.52)		(0.33)	
Add: Profit/(Loss) during the year	(4.41)		(0.19)	
At the end of the year		(4.93)		(0.52)
Grand Total		(4.93)		(0.52)

3 Long Term Borrowings

Particulars	2011-2012	2010-2011
	₹ in Lacs	₹ in Lacs
Term loans		
from banks. (Secured)	17,000.00	-
Loans and advances from related parties.		
Swan Energy Limited - Holding Company	13,680.32	-
Total	30,680.32	-

Term Loans from Bank includes:

Indian Overseas Bank Loan of ₹ 10,000 Lacs is secured by the property at Hyderabad
Standard Chartered Bank loan of ₹ 7,000 Lacs is secured by the property at Bengaluru

4 Other Long Term Liabilities

Particulars	2011-2012	2010-2011
	₹ in Lacs	₹ in Lacs
Others		
Security Deposits	81.86	-
Total	81.86	-

5 Other current liabilities

Particulars	2011-2012	2010-2011
	₹ in Lacs	₹ in Lacs
Other payables		
Audit Fees	0.13	0.13
Professional fees	0.04	-
Payable to Statutory/government authorities	2.85	-
Total	3.02	0.13

6 FIXED ASSETS - Capital Work in Progress
₹ in Lacs

Sr No.	Class of assets	Gross Block				Depreication				Net Block	
		Cost as at 01.04.2011	Additions during the year	Deductions during the year	Cost as at 31.03.2012	As at 01.04.2011	For the year	Adjustment for the year	As at 31.03.2012	As at 31.03.2012	As at 31.03.2011
A	Capital Work in Progress	-	28,193.30	-	28,193.30	-	-	-	-	28,193.30	-
	Total	-	28,193.30	-	28,193.30	-	-	-	-	28,193.30	-

7 Long-term loans and advances

Particulars	2011-2012	2010-2011
	₹ in Lacs	₹ in Lacs
Capital Advances	3,055.63	-
Total	3,055.63	-

8 Other non-current assets

Particulars	2011-2012	2010-2011
	₹ in Lacs	₹ in Lacs
Others		
Unamortised Expenses	32.69	0.21
Total	32.69	0.21

9 Cash and cash equivalents

Particulars	2011-2012	2010-2011
	₹ in Lacs	₹ in Lacs
Balance with banks	968.15	0.38
Cash on hand	6.17	0.02
Total	974.32	0.40

10 Short-term loans and advances

Particulars	2011-2012	2010-2011
	₹ in Lacs	₹ in Lacs
Other loans and advances		
Excess debit Recoverable from IOB Bengaluru	0.33	-
Advance paid for Expense	5.00	-
Total	5.33	-

11 Other Expenses

Particulars	2011-2012	2010-2011
	₹ in Lacs	₹ in Lacs
Rates & Taxes	0.03	0.00
Bank Charges	0.57	0.02
Preliminary Expenses Written Off	3.64	0.02
Auditor's Remuneration	0.13	0.13
Printing & Stationery	0.00	-
Legal & Professional fees	0.03	-
Miscellaneous Expenses	0.01	0.02
Total	4.41	0.19

12 Significant Accounting Policies

A. Basis of Preparation of Financial Statements

The financial statements have been prepared to comply with the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year. The financial statements are presented in the general format specified in Revised Schedule VI to the Companies Act, 1956.

B. Use of Estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable.

C. Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. 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 Profit and Loss account.

D. Provisions, Contingent Liabilities and Contingent Assets

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

E. Capital Work in Progress

Borrowing and other incidental costs incurred for the acquisition of property has been capitalised and is included in the cost of such property. Capital work-in-progress is stated at cost and not depreciated. Depreciation on capital work-in-progress commences when the assets are ready for their intended use.

	Year Ended March 31, 2012	Year Ended March 31, 2011
13 Earning per Share		
i) Net Profit/(Loss) after Tax as per Statement of Profit and Loss attributable to Equity Shareholders (₹ in Lacs)	(4.41)	(0.19)
ii) Weighted average number of shares used as denominator for calculating Basic and Diluted Earning per Share	15,010,000	10,000
iii) Face Value of share (₹ per share)	10.00	10.00
iv) Basic/Diluted earning per share (in ₹)	(0.03)	(1.93)
14 Payment to Auditors:		
As Auditor		
i) Statutory Audit Fees (₹ in Lacs)	0.08	0.08
ii) In Other Capacity (₹ in Lacs)	0.05	0.05
	0.13	0.13

15 Related Party Disclosure

Disclosure as required by the accounting Standard 18

“Related Party Disclosure” are given below:

A List of Related Parties:

- i) Swan Energy Limited - Holding Company

B Transactions during the year with related parties:

i) Swan Energy Limited - Holding Company		
Issue of Shares (₹ in Lacs)	1,500.00	-
Loans & Advances taken (₹ in Lacs)	30,624.32	-
Loans & Advances paid back (₹ in Lacs)	16,944.00	-
Payable (₹ in Lacs)	13,680.32	-

16 Previous Year's figures are regrouped/rearranged wherever necessary.



Swan Energy Limited

Registered Office : 6, Feltham House, 2nd Floor, 10, J.N Heredia Marg, Ballard Estate, Mumbai 400 001.

ATTENDANCE SLIP

To be handed over at the entrance of the Meeting venue

	Member's Folio No.
	Name of the Member attending Meeting

In case of Proxy, Name of Proxy

I hereby record my presence at the 104th ANNUAL GENERAL MEETING at Walchand Hirachand Hall, 4th Floor, Indian Merchant Chamber Building, IMC Marg, Churchgate, Mumbai – 400 020 on Tuesday, September 18, 2012 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.

Swan Energy Limited
PROXY FORM

I/We _____
of _____
being a Member/Members of SWAN ENERGY 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 104th Annual General Meeting of the Company to be held at Mumbai on Tuesday, September 18, 2012 at 11.30 A.M. and at any adjournment thereof

Signed this _____ day of _____ 2012

Signed by the said _____

Of _____

Affix ₹ 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 not less than 48 hours before the Meeting.