

**SAWACA
BUSINESS
MACHINES
LIMITED**

**ANNUAL
ACCOUNTS FOR
THE YEAR ENDED
MARCH 31st, 2013**

SAWACA BUSINESS MACHINES LIMITED

Annual Accounts for the FYE 31/03/2013

NOTICE

Notice is hereby given that the 19th Annual General Meeting of SAWACA BUSINESS MACHINES LIMITED will be held on 27th September, 2013 at 10.00 AM at the Registered office of the Company : 45, Chinubhai Tower, Ashram Road, Ahmedabad - 380009 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2013 and the Profit and Loss Account of the Company for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Satish R. Shah who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors to hold of Annual General Meeting and to fix their remuneration.

For and On behalf of the Board of Directors
For **SAWACA BUSINESS
MACHINES LIMITED**

Place : AHMEDABAD

Date : 27.08.2013

Sd/-

CHAIRMAN

SAWACA BUSINESS MACHINES LIMITED*Annual Accounts for the FYE 31/03/2013***DIRECTOR'S REPORT**

TO
THE MEMBERS

Your Directors have pleasure in presenting 19th the Annual Report together with audited statement of accounts for the year ended 31st March, 2013

WORKING RESULTS

Particulars	31/03/2013	31/03/2012
Sales and other income (Net of duties)	45925900	5701292
Profit / (Loss) before Depreciation & Taxation	101500	2049802
Provision for Depreciation	0	0
Provision for Taxation for current / prior years	31364	615000
Net Profit after Tax	70136	1434802
Balance of Profit brought forward	4842071	3407269
Transfer to General Reserves	0	0
Proposed Dividend	0	0
Tax on Dividend	0	0
Balance of Profit carried forward to next year	4912207	4842071

OPERATIONS

The Company continues to focus on the business machines and instruments business. The top line have increased by a robust 193.56% and the bottom line - PAT have increased by a very healthy 221.20% for the year.

DIVIDEND

In order to conserve the resources, your directors do not propose any dividends for the year.

DIRECTORS

In accordance with the Articles of Association of the Company, Satish R Shah retire by rotation at the forthcoming Annual General Meeting and are eligible for re-appointment.

Brief resumes of Directors seeking re-appointment, the nature of their expertise in specific functional areas, names of companies in which they hold directorships and the memberships of committees of the Board, their shareholding etc. are attached with the Notice of the Annual General Meeting of the Company.

SAWACA BUSINESS MACHINES LIMITED

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DIRECTORS' RESPONSIBILITY STATEMENT

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

- i) That in the preparation of the accounts for the financial year ended March 31st, 2013, the applicable accounting standards had been followed along with proper explanations relating to material departures;
- ii) That such accounting policies have been selected and consistently applied, judgements and estimates made, that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and the profit of the Company for the year under review.
- iii) That proper and sufficient care had been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) That the accounts for the financial year have been prepared on a 'going concern' basis.

FIXED DEPOSITS

Your company has neither invited nor accepted any fixed deposits from the public during the financial year under review.

CORPORATE GOVERNANCE AND COMPLIANCE CERTIFICATE

Separate notes on Corporate Governance and Management Discussion and Analysis report are set out as Annexure "A" and "B" respectively. A certificate from the Auditor of the company certifying compliance conditions of Corporate Governance as Stipulated under Clause 49 of the Listing Agreement is attached to this report.

LISTING AGREEMENT REQUIREMENTS

The securities of your company are listed at Bombay and Ahmedabad Exchanges.

BUY BACK OF SHARES

There was no buy back of shares during the year under review.

AUDITORS

The Auditors M/s. B. R. SHAH & ASSOCIATES, Chartered Accountants will retire at the conclusion of the forth coming Annual General Meeting and are eligible for re- appointment. The Company has received letter form them to the effect that their appointment, if made, would be within the prescribed limits under Section 224 (1-B) of the Companies Act, 1956.

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CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION

Information in accordance with Section 217(1) (e) of the Companies Act, 1956 read with Rule 2 of Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are set out in Annexure 'B' forming part of this report

AND FOREIGN EXCHANGE EARNINGS AND OUTGO : NIL.

ACKNOWLEDGMENT

Your Directors would like to express their sincere appreciation for the continued support and co-operation received from Bankers, Foreign Collaborators, Government Authorities and Shareholders. Your Directors wish to place on record their deep sense of appreciation for the devoted services of the Executives, Staff and Workers during the year under review.

For and On behalf of the Board of Directors
For **SAWACA BUSINESS
MACHINES LIMITED**

Place : AHMEDABAD

Date : 27.08.2013

Sd/-
CHAIRMAN

SAWACA BUSINESS MACHINES LIMITED*Annual Accounts for the FYE 31/03/2013***COMPLIANCE REPORT O CORPORATE GOVERNANCE**

(Annexure to Directors' Report)

Pursuant to clause 49 of Listing Agreement your directors present below a complete report on corporate governance:

1. CORPORATE GOVERNANCE:

The principal characteristics of corporate governance are Transparency, Independence, Accountability, Responsibility, Fairness, and Social Responsibility. Corporate Governance pertains to system of blending law, regulations and voluntary practice, which enable the company to attract financial and human capital, perform efficiently and thereby perpetuate it into generating long-term economic value for its shareholders, while respecting interests of other stakeholders and the society as a whole.

2. COMPANY'S PHILOSOPHY:

Your Company is committed to good Corporate Governance and has adhered to the prescribed standards. The Company's philosophy on code of Governance is aimed at efficient conduct of business in compliance with the prescribed Acts and Rules on Corporate Governance.

3. BOARD OF DIRECTORS:

Composition of Board of Directors

Name of Director	Category of Director	No. of other Directorships in public companies	No. of other Board Committee of which member/Chairman
Mr. Satish R. Shah	Executive-Non Independent	-----	-----
Mr. K.L. Trivedi	Non Executive – Independent	----	-----
Mr. K.G. Agaja	Non Executive – Independent	-----	-----

SAWACA BUSINESS MACHINES LIMITED*Annual Accounts for the FYE 31/03/2013***ATTENDANCE OF EACH DIRECTOR AT BOARD MEETING AND LAST ANNUAL GENERAL MEETING**

Four Board meetings were held during the financial year 2012 -13.

Sr No.	Name of Director	Category of Director	No. of Board meetings held	No. of Board meeting attended	Attendance at last AGM
01.	Mr. Satish R. Shah	Chairman	4	4	Yes
02.	Mr. K.L Trivedi	Director	4	4	Yes
03.	Mr. K.G Agaja	Director	4	4	Yes

Number of Board meetings held during the financial year and dates of Board meetings :

Board Meeting	Date	Board Meeting	Date
1	30/04/2012	2	25/07/2012
3	30/10/2012	4	30/01/2013

AUDIT COMMITTEE :

The Current Audit Committee, comprising three Directors majority of them being Non-Executive – Independent Directors and most of them have financial and accounting knowledge. Members are regularly present at the meetings.

The term of reference stipulated by the board to the Audit Committee are, as contained in clause 49 of the Listing agreement which are as follows:

- a. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- b. Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other services.
- c. Reviewing with management the annual financial statements before submission to the board, focusing primarily on; (a) Any changes in accounting policies and practices, (b) Major accounting entries based on exercise of judgment by management, (c) Qualifications in draft audit report (d) Significant adjustments arising out of audit (e) The going concern assumption, (f) Compliance with accounting standards, (g) Compliance with stock exchange and legal requirements concerning financial statements, (h) Any related party transactions.
- d. Reviewing with the management, external and internal auditors, the adequacy of internal control systems.
- e. Reviewing with adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- f. Discussion with internal auditors any significant findings and follow up there on

SAWACA BUSINESS MACHINES LIMITED

Annual Accounts for the FYE 31/03/2013

- g. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- h. Discussion with external auditors before the audit commences about nature and scope of audit as well as post- audit discussion to ascertain any area of concern.
- i. Reviewing the company's financial and risk management policies.
- j. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.

The Board of the Company has constituted an Audit Committee, comprising following directors.

Name	Designation	Non-executive/independent	Committee meeting attended
Mr. Satish R. Shah	Chairman	Executive – Non - Independent	4
Mr. K.L. Trivedi	Member	Non-executive – Independent	4
Mr. K.G. Agaja	Member	Non - Executive independent	4

Four meetings were held during the financial year 2012-13.

Committee Meeting	Date	Committee Meeting	Date
1	30/04/2012	3	30/10/2012
2	30/07/2012	4	30/01/2013

SHARE HOLDERS'/INVESTORS' GRIEVANCE COMMITTEE

The Board of the Company has constituted a Shareholder'/Investors' Grievance Committee, comprising of following Members:

Name	Designation	Non executive/independent –	Committee meeting attended
Mr. Satish R. Shah	Chairman	Executive – Non Independent	2
Mr. K.L. Trivedi	Member	Non - Executive independent	2

The Committee, inter alia, approves issue of duplicate certificates and overseas and reviews all matters connected with the securities transfers. The Committee also looks into redressing of shareholders' complaints like transfers of shares, non-receipt of balance sheet, non-receipt of declared dividends, etc. the committee note down that during the year all the complaints have disposed timely and up to the satisfaction of the shareholders.

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Share Transfer Committee

The same members of Share Holders Grievance Committee are the members of this committee also.

Remuneration Committee

Being a non-mandatory requirement the remuneration committee has not been constituted for the time being.

OTHER DETAILS / INFORMATIONS

General Body Meetings

Details of three Annual General Meeting :

Year	Date	Time	Venue
2009-10	30.09.2010	12.00 .M	Registered Office
2010-11	30.09.2011	10.00 P.M.	Registered Office
2011-12	29.09.2012	10:00 A.M.	Registered Office

NOTE ON DIRECTORS APPOINTMENT/RE-APPOINTMENT :

Mr.Satish R. Shah, Director of the Company is retiring by rotation at the ensuing AGM and is eligible for reappointment

Disclosures

- a) Disclosures on materially significant related party transactions i.e. transaction of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives, etc., that may have potential conflict with the interest of the company at large and disclosure required under listing agreement as amended:

The details of this disclosure are mentioned in Notes on Accounts and covered by accounts.

- b) Details of non-compliance by the Company, penalties, imposed on the Company by Stock Exchanges or SEBI, or any statutory authority, on any matter related to capital markets, during the last three years; No instance of levy of duty by the stock exchange or SEBI due to non-compliance by the company.
: **None**
- c) There is no pecuniary relationship or transaction of the non executive director. Further there is no remuneration, benefits, incentives and stock options are provided to directors.

Means of Communications

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The Company has regularly published its quarterly, half yearly & annual results in newspapers & submitted to stock exchange in accordance with the Listing Agreement requirements. The Management Discussion and Analysis Report is form part of the Report.

General Shareholders information:

1. **Date of Annual General Meeting** : 27/09/2013
2. **Time and Venue** : 10:00 A. M.
45, Chinubhai Tower, Opp.
Handloom House, Ashram Road,
Ahmedabad-380009.
3. **Listing on Stock Exchange** : 1. Ahmedabad Stock Exchange,
Ahmedabad (ASE)
2. The Mumbai Stock Exchange,
Mumbai (BSE)
4. **Stock Code on BSE** : 531893
5. **ISIN No.** : INE248B01015
6. **Financial Calendar** : 1st April to 31st March
First Quarterly Results : End of July, 2012
Half Yearly Results : End of October, 2012
Third Quarterly Results : End of January, 2013
Fourth Quarterly Results : End of April, 2013
AGM for the year ended March, 2011 : End of September, 2013
7. **Date of Book Closure** : 23th to 27th September
8. **Name of Compliance Officer** : Mr. Vishal S. Shah
9. **Market Price Data** : As per Annexure 1
10. **Investors Correspondence** : M/s. Sharepro Services
(India) Private Limited
13 AB, Samhita Warehousing Complex,
2nd Floor, Sakinaka Telephone Exchange
Lane, off Andheri – kurla Road,
Sakinaka, Andheri(E), Mumbai –
400072.
- . **For transfer / dematerialization of shares, Changes of address, change in status of investors, payment of dividend on shares and other query relating to the shares of the company.**

SAWACA BUSINESS MACHINES LIMITED*Annual Accounts for the FYE 31/03/2013***Shareholding Pattern as on 31/03/2013**

CATEGORY	NO. OF SHARES	PERCENTAGE(%)
Promoters & Relatives	3391097	32.60
Bodies Corporate	4790742	46.06
Banks / FII / FI / NRI	-----	-----
Public	2219061	21.34

Dematerialization of shares and transfer of shares and liquidity :

The Company's Shares are listed at Ahmedabad Stock Exchange and Mumbai Stock Exchange. 1,00,95,550 out of 10400900 Equity shares of the company have been dematerialized as at 31st March, 2013 representing 97.06% of total capital of the company.

The Company has entered into agreement with NSDL and CDSL whereby shareholders have an option to dematerialized their shares with the depositories.

For expediting physical transfer, the Board has delegated share transfer formalities to the share transfer committee Mr. Vishal S. Shah is designated as Compliance Officer.

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MANAGEMENT DISCUSSION ANALYSIS:

- INDUSTRY STRUCTURE AND DEVELOPMENT

The Industry in which the company is engaged is represented by mix of few large companies within nationwide presence and large number of small and medium size companies with regional focus. In recent years the industry is facing strong competition. Hence, it is under pressure to cut cost and to develop focus marketing approach by offering more personalize services.

- REVIEW OF OPERATIONS:

During the year 2012-13 total operations of the Company was satisfactory.

- OPPORTUNITIES AND THREATS :

Opportunities and threats to the business of the company are the same as they are related with the businesses engaged in or related to the finance. However, the company's ability to take advantage of capital market will enable the company to perform satisfactorily.

- SEGMENT WISE PERFORMANCE

The company does not have multiple products / segments.

- OUTLOOK

The Company is looking forward for a very robust increase in turnover and PAT for the coming 3-5 years.

- RISK AND CONCERNS :

Company is exposed to specific risk that are particular to its business and the environment within which it operates including economic cycle, market risk and credit risk. The company will manage this risk by risk management practices.

- INTERNAL CONTROL SYSTEM :

The Company has proper and adequate system of internal controls to ensure that all assets are safeguarded and protected against loss form unauthorized use or disposition and that transactions are authorized, recorded and reported correctly. The Company has effective systems in place for achieving efficiency in operations, optimum and effective utilization of resources, monitoring thereof and compliance with applicable laws.

- HUMAN RESOURCES :

The Company firmly believe that intellectual capital and human resources is the back bone of the company's success. The company is committed to provide development and training opportunities to employees to equip them with the best skill which enable them to adapt to contemporary technological advancements. Industrial relation during the year continues to be harmonious.

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CAUTIONARY STATEMENT

Estimates and expectations stated in this Management Discussion and Analysis may be “forward-looking” statements within the meaning of applicable securities law and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to your company’s operations include economic conditions affecting demand / supply and price conditions in the domestic and international markets, changes in the Government regulations, tax laws, statutes and other incidental factors.

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CEO Certification

**To,
The Board of Directors,
Sawaca Business Machines Limited.
Ahmedabad.**

Re.: Financial Statement for the year 2012–2013 Certification

I, Mr. Vishal S. Shah, CEO of the Company hereby certify that :

- (a) He has reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief:
 - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of their knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) He accepts responsibility for establishing and maintaining internal controls and that he has evaluated the effectiveness of the internal control systems of the Company and he has disclosed this to the auditors and the Audit Committee.
- (d) He has indicated to the auditors and the Audit Committee:
 - (i) Significant changes in internal control during the year.
 - (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements.
 - (iii) Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system.

Place : Ahmedabad.
Date : 27.08.2013

Vishal S. Shah.
Chairman & CEO

SAWACA BUSINESS MACHINES LIMITED

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DECLARATION – COMPLIANCE WITH THE CODE OF CONDUCT

In accordance with clause 49 of the Listing Agreement with the Stock Exchanges, I Satish R. Shah, Chairman & Director, hereby declare that the Board Members and Senior Management Personnel have affirmed compliance with the said Code of Conduct as mentioned in this report, for the year ended March 31, 2013

For and On behalf of the Board of Directors

Place: AHMEDABAD

Date: 27.08.2013

Sd/-
CHAIRMAN

SAWACA BUSINESS MACHINES LIMITED*Annual Accounts for the FYE 31/03/2013***ANNEXURE 'A' TO DIRECTORS' REPORT**

Particulars of Employees pursuant to Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, forming part of the Directors' Report for the year ended on 31st March 2011.

Sr. No.	Name	Designation	Qualification	Experience (Years)	Date of Commencement of Employment	Remuneration (Rs.)	Age (Years)	Last Employment
1	Vishal S. Shah	Compliance Officer	MBA	14	01.04.2010	-	36	-

NOTES:

1. Remuneration here has the meaning assigned to it in the Explanation to Section 198 of the Companies Act, 1956.
2. The above mentioned employee is not a relative of any Director of the Company.
3. The nature of employment is contractual.
4. The employee does not hold by himself or along with his dependants, two percent or more of the equity shares of the Company.

SAWACA BUSINESS MACHINES LIMITED

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ANNEXURE 'B' TO DIRECTORS' REPORT

INFORMATION IN ACCORDANCE WITH SECTION 217(1)(e) OF THE COMPANIES ACT, 1956 READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.

A. CONSERVATION OF ENERGY

Though the manufacturing operations involve consumption of energy, it is not of major significance. The Company is not covered under the list of industries required to furnish information in Form 'A'.

B. TECHNOLOGY ABSORPTION

RESEARCH & DEVELOPMENT

Your Company is in the process of ongoing technical collaboration with various world level companies for research and development tie up. Your Company did not incur any expenditure on R&D during the year under review.

SAWACA BUSINESS MACHINES LIMITED

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TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION

Nil.

C. FOREIGN EXCHANGE EARNING & OUTGO

The information on foreign exchange earnings is detailed in Notes and foreign exchange outgo is detailed in Notes to the Accounts.

For and On behalf of the Board of Directors
For **SAWACA BUSINESS
MACHINES LIMITED**

Place : AHMEDABAD
Date : 27.08.2013

Sd/-
CHAIRMAN

SAWACA BUSINESS MACHINES LIMITED*Annual Accounts for the FYE 31/03/2013*

MARKET PRICE DATA (BSE CODE: 531893)

ANNEXURE: 1

Month	Open Price	High Price	Low Price	Close Price	No.of Shares	No. of Trades	Total Turnover (Rs.)	Spread High-Low	Spread Close-Open
Apr-12	81.25	84.00	70.35	75.20	131214	379	10230679	13.65	-6.05
May-12	78.90	115.80	70.00	104.85	777668	1037	72691263	45.80	25.95
Jun-12	100.00	151.95	91.00	150.90	1072582	1188	110585059	60.95	50.90
Jul-12	151.50	192.00	145.35	187.05	564431	1116	93565280	46.65	35.55
Aug-12	185.00	229.75	165.35	225.50	532563	1036	103196240	64.40	40.50
Sep-12	229.85	232.00	209.65	223.45	1812944	1251	405672464	22.35	-6.40
Oct-12	221.00	234.95	202.25	208.50	1073357	1947	237412063	32.70	-12.50
Nov-12	217.50	230.20	185.15	206.60	896514	1695	186989583	45.05	-10.90
Dec-12	208.00	208.50	167.70	177.25	2662119	3073	490386950	40.80	-30.75
Jan-13	176.00	191.00	105.00	181.85	2327327	5673	390082599	86.00	5.85
Feb-13	188.00	198.80	55.10	55.10	1167278	2731	171453480	143.70	132.90
Mar-13	52.35	52.35	30.60	30.70	4968800	849	180968126	21.75	-21.65

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B.R. Shah & Associates
CHARTERED ACCOUNTANTS

To
The MEMBERS
SAWACA BUSINESS MACHINES LTD.

We have examined the compliance of the corporate governance by SAWACA BUSINESS MACHINES LTD. for the year ended on 31st March 2013, as stipulated in Clause 49 of the listing Agreement of the Company with Stock Exchange.

The Compliance of Condition of Corporate governance is the responsibility of the management. My 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 statement of the Company.

In my opinion and to the best of my information and according to the explanations given to me:

- 1) We certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.
- 2) We state that no investor grievance for a period exceeding one month against the company as per the records maintained by the Shareholders/ Investors Grievance Committee.

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

PLACE: AHMEDABAD
DATE: 27/09/2013

FOR AND ON BEHALF OF
B.R Shah & Associates.
CHARTERED ACCOUNTANTS

Sd/-
(Bhavik Shah)
PARTNER.

AUDITOR'S REPORT

TO,
THE MEMBERS OF
SAWACA BUSINESS MACHINES LIMITED.

Report on the Financial Statements

1. We were engaged to audit the accompanying financials statements of Sawaca Business Machines Limited (the "Company"), which comprises the Balance sheet as at March 31,2013, and the Statement of Profit and loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to the report..

Management Responsibility for the Financial Statements

2. The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of financial position, financial performance and cash flow of the Company in accordance with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act 1956 ("the Act") The responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the standards on auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from misstatements.
4. An audit involves performing procedure to obtain audit evidence about the amounts and disclosure in the financial statements. The procedures selected depend upon auditor's judgment, including the assessment of the risk of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessment, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedure that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of financial statements.
5. We believe that audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. *We draw your attention to the stand taken by the company in respect of not providing depreciation on fixed assets. Company has not provided depreciation on the fixed assets of the company due to non availability of proper information regarding the classification and nature of*

fixed assets. Had they been able to get sufficient information, the profit for the year could be lower by the amount of depreciation, which is indeterminable.

7. *We further draw attention to the fact that we have not been made available with the financial statements of the Partnership firm in which your company has made investment of Rs 10,01,27,303/-. In absence of such information, we are not in a position to comment, whether any diminution in the value of investment has to be made or not.*

8. Subject to above, In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in case of the Balance Sheet, of the state of affairs of the Company as at **31/03/2013**;

(b) in case Statement of Profit and Loss Account, of the **Profit** for the year ended on that date; and

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

Report on Other Legal and Regulatory Requirements

9. As required by 'the Companies (Auditor Report) Order 2003' as amended by ' the Company (Auditor Report) (Amendment) Order, 2004', issued by the Central Government of India in terms of sub – section (4A) of section 227 of the Act (herein after referred to as the “ Order”), and on the basis of such checks of books and records of company as we considered appropriate and according to the information and explanation given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the order.

10. As required by section 227(3) of the Act, we report that:

a. We have obtained all information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

b. In our opinion proper books of account as required by Law have been kept by the Company so far as appears from our examinations of those books;

c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

d. In our opinion , the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section(3C) of section 211 of the Companies Act,1956;

e. On the basis of written representations received from the directors as on **31/03/2013** and taken on record by the Board of Directors, none of the director is disqualified as on **31/03/2013**, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

PLACE: AHMEDABAD
DATE: 27/09/2013

FOR AND ON BEHALF OF
B. R SHAH & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration No. 129053W

Sd/-
(Bhavik Shah)
(Partner)
Membership No. 129674

SAWACA BUSINESS MACHINES LIMITED

Annual Accounts for the FYE 31/03/2013

ANNEXURE TO THE AUDITOR'S REPORT

- i. (a) *The Company is not maintaining proper records of fixed assets.*
 - (b) *The fixed assets of the Company have not been physically verified by the Management during the year. Accordingly, the discrepancies, if any, could not be ascertained and therefore, we are unable to comment on whether the discrepancies, if any have been properly dealt with in the books of account.*
 - (c) *In our opinion, and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the Company during the year.*
- ii. *As informed to us, the company is in the business of trading of goods. It did not have either opening or closing inventory as the goods are being immediately sold. Therefore, the provisions of Clause 4(ii) of the said Order are not applicable to the Company.*
- iii. *The Company has not [granted/taken] any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act. Therefore, the provisions of Clause 4(iii)[(b),(c) and (d) / (f) and (g)] of the said Order are not applicable to the Company.*
- iv. *In our opinion, and according to the information and explanations given to us, except for weaknesses in internal controls related to fixed assets for which the Management is yet to take remedial measures, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase and sale of goods. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, except stated above, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.*
- v (a) *According to the information and explanations given to us, there have been no contracts or arrangements that need to be entered in the register maintained under Section 301 of the Act.*
 - (b) *In our opinion, and according to the information and explanations given to us, there are no transactions made in pursuance of such contracts or arrangements exceeding the value of Rupees Five Lakhs in respect of any party during the year.*
- vi. *The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.*
- vii. *The Company did not have an internal audit system during the year.*
- viii. *The Central Government of India has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act for any of the products of the Company.*

- ix. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty and other material statutory dues, as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, sales-tax, wealth-tax, service-tax, customs duty, and excise duty which have not been deposited on account of any dispute.
- x. The Company has no accumulated losses as at the end of the financial year and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- xi. As the Company does not have any borrowings from any financial institution or bank nor has it issued any debentures as at the balance sheet date, the provisions of Clause 4(xi) of the Order are not applicable to the Company.
- xii. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of Clause 4(xii) of the Order are not applicable to the Company
- xiii. As the provisions of any special statute applicable to chit fund/ nidhi/ mutual benefit fund/ societies are not applicable to the Company, the provisions of Clause 4(xiii) of the Order are not applicable to the Company.
- xiv. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Clause 4(xiv) of the Order are not applicable to the Company.
- xv. In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year. Accordingly, the provisions of Clause 4(xv) of the Order are not applicable to the Company.
- xvi. The Company has not raised any term loans. Accordingly, the provisions of Clause 4(xvi) of the Order are not applicable to the Company.
- xvii. The Company has not raised any loans on short term basis. Accordingly, the provisions of Clause 4(xvii) of the Order are not applicable to the Company.
- xviii. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year. Accordingly, the provisions of Clause 4(xviii) of the Order are not applicable to the Company.
- xix. The Company has not issued any debentures during the year and does not have any debentures outstanding as at the beginning of the year and at the year end. Accordingly, the provisions of Clause 4(xix) of the Order are not applicable to the Company.

- xx. The Company has not raised any money by public issues during the year. Accordingly, the provisions of Clause 4(xx) of the Order are not applicable to the Company.
- xxi. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

PLACE: AHMEDABAD
DATE: 27/09/2013

FOR AND ON BEHALF OF
B. R SHAH & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration No. 129053W

(Bhavik Shah)
(Partner)
Membership No. 129674

Balance Sheet as at 31st march,2013

		As at 31 March 2013	Amount in Rupees As at 31 March 2012
Equity and Liabilities			
Shareholders' funds			
Share capital	3	104,009,000	104,009,000
Reserves and surplus	4	<u>4,912,207</u>	<u>4,842,071</u>
		108,921,207	108,851,071
Current liabilities			
Short-term borrowings		-	-
Trade payables	5	15,149,502	-
Other current liabilities	5	62,777	18,000
Short-term provisions	7	<u>1,914,362</u>	<u>1,883,000</u>
		17,126,641	1,901,000
Total		<u>126,047,848</u>	<u>110,752,071</u>
Assets			
Non-current assets			
Fixed assets			
Tangible assets	7	264,114	264,114
Non-current investments	8	100,127,303	100,127,303
Long-term loans and advances	9	2,172,887	2,172,887
Other non-current assets	10	<u>357,820</u>	<u>513,142</u>
		102,922,124	103,077,446
Current assets			
Trade receivables	10	20,117,726	-
Cash and bank balances	11	2,700,169	3,076,333
Short-term loans and advances	12	298,000	4,588,463
Other current assets	13	<u>9,829</u>	<u>9,829</u>
		<u>23,125,724</u>	<u>7,674,625</u>
Total		<u>126,047,848</u>	<u>110,752,071</u>
Summary of significant accounting policies	2		

As per our report of even date

For B.R. Shah & Associates

Firm Registration Number : 129053W

Chartered Accountants

For and on behalf of SAWACA BUSINESS
MACHINES LIMITED

Bhavik K. Shah

Partner

Membership Number 129674

Place : Ahmedabad

Date : 27.09.2013

Chairman & Managing

Director

Place : Ahmedabad

Date : 27.09.2013

Director

**Statement of profit & loss for the year
ending 31st march,2013**

Particulars	Note	Amount in Rupees	
		For the year ended 31 March 2013	For the year ended 31 March 2012
Income			
Revenue from operation	14	45,925,900	5,603,000
Other income	15	-	98,292
Total revenue		45,925,900	5,701,292
Expenses			
Cost of material consumed	16	45,205,017	2,312,290
Other expenses	17	619,383	1,339,200
Total expenses		45,824,400	3,651,490
Profit before tax		101,500	2,049,802
Tax expenses			
Current tax		31,364	615,000
Deferred tax			
Total tax expenses		31,364	615,000
Profit for the year		70,137	1,434,802
Earning per equity share (nominal value of share Rs.10 (31 March 2012: Rs. 10))			
Basic and Diluted	31	0.07	1.38
Summary of significant accounting policies	2		

As per our report of even date

For B.R. Shah & Associates

Firm Registration Number : 129053W

Chartered Accountants

For and on behalf of SAWACA BUSINESS MACHINES
LIMITED

Bhavik K. Shah

Partner

Place : Ahmedabad

Date : 27.08.2013

Chairman & Managing

Place : Ahmedabad

Date:27.08.2013

Director

3. Share capital

	Amount in Rupees	
	As at 31 March 2013	As at 31 March 2012
Authorised shares		
1,10,00,000 (Previous year 1,10,00,000) Shares of Rs. 10/- each	110,000,000	110,000,000
Issued, Subscribed and fully paid-up shares		
1,04,00,900 (Previous year 1,04,00,900) Equity shares of Rs. 10/- each fully paid	104,009,000	104,009,000
Total issued, subscribed and fully paid-up share capital	104,009,000	104,009,000

a. Terms/rights attached to equity shares

The company has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

b. Details of shareholders holding more than 5% shares in the company

	As at 31 March 2013		As at 31 March 2012
	Numbers	% holding	Numbers
Equity shares of Rs. 10 each fully paid			
Satish R Shah	1,593,189	15%	1,093,092
Shetal S Shah	860,600	8%	1,010,600
Vishal S Shah	650,000	6%	800,000
Jyotsna S Shah	191,000	2%	20,000
Yatin G Shah	96,308	1%	96,308
Bodies Corporate	4,790,742	46%	1,666,479
Individual- Public	2,219,061	21%	5,534,421

C. Details of the equity share from the above which are locked in

	As at 31 March 2013		As at 31 March 2012
	Numbers	% holding	Numbers
Equity shares with voting rights			
Satish R Shah	800,000	7.69%	800,000
Shetal S Shah	700,000	6.73%	700,000
Vishal S Shah	580,180	5.58%	580,180

4. Reserves and surplus

	<u>Amount in Rupees</u>	
	<u>As at 31 March 2013</u>	<u>As at 31 March 2012</u>
Surplus in statement of profit and loss		
Balance as per last financial statements	4,842,071	3,407,269
Profit for the year	70,136	1,434,802
Balance as at the end of the year	4,912,207	4,842,071

5. Trade payables and other current liabilities

	<u>Amount in Rupees</u>	
	<u>As at 31 March 2013</u>	<u>As at 31 March 2012</u>
Trade payables (refer note no.29 for details of dues to micro and small enterprises)	15,149,502	-
Other current liabilities		
Statutory remittances	26,777	-
Other liabilities	36,000	18,000
	62,777	18,000
Total	15,212,279	18,000

The company has not received any intimation from the suppliers regarding status under the Micro, small enterprises development Act, 2006 ('the act') and hence disclosures regarding a) Amount due and outstanding to suppliers as at end of the accounting Year,

b) interest paid during the year, c) interest payable at the end of the accounting year and d) interest accrued and unpaid at the end of the accounting year, has not been disclosed or provided. The company is making efforts to get the confirmations from the Suppliers as regard their status under the act.

6. Short term provisions

	<u>Amount in Rupees</u>	
	<u>Short-term As At 31 March 2013</u>	<u>As At 31 March 2012</u>
Provision for income tax	1,914,362	1,883,000
Total	1,914,362	1,883,000

8 Long Term Loans & Advances

	Amount in Rupees	
	As at	As at
	31 March 2013	31 March 2012
Secured, Considered Goods	2,172,887	2,172,887
Total	2,172,887	2,172,887

9 Other Non-Current Assets

	Amount in Rupees	
	As at	As at
	31 March 2013	31 March 2012
Others		
Preliminary Expenses	513,142	668,464
Less: Written off during the year	(155,322)	(155,322)
	357,820	513,142

10 Trade receivables

	Amount in Rupees	
	As at	As at
	31 March 2013	31 March 2012
Secured, considered good		
Trade Receivables outstanding for a period exceeding six months from the date they were due for payment		
Other receivables	20,117,726	-
	20,117,726	-

11 Cash and Cash Equivalents

	Amount in Rupees	
	As at	As at
	31 March 2013	31 March 2012
Cash on hand	2,695,749	3,069,185
Balances with banks		
Indian Overseas Bank	4,420	7,148
	2,700,169	3,076,333

12 Short-term Loans and Advances

	Amount in Rupees	
	As at	As at
	31 March 2013	31 March 2012
Secured, considered good		
Advances recoverable in cash or kind	-	4,588,463
Deposit	153,000	-
Balance with government authorities	20,000	-
Advances to creditors	125,000	-
	298,000	4,588,463

13 Other Non Current Assets

	Amount in Rupees	
	As at	As at
	31 March 2013	31 March 2012
TDS Receivable	9,829	9,829
	9,829	9,829

14. Revenue from operations

	Amount in Rupees	
	For the year ended	For the year ended
	31 March 2013	31 March 2012
Revenue from operations - Gross		
Sale of products		
Trading goods	45,647,160	5,603,000
Other Revenue from operations		
Job work	278,740	-
Total Revenue from operations	45,925,900	5,603,000

15. Other Income

	Amount in Rupees	
	For the year ended	For the year ended
	31 March 2013	31 March 2012
Interest Income		
-others	-	98,292
Total	-	98,292

16. Cost of material consumed

	Amount in Rupees	
	For the year ended	For the year ended
	31 March 2013	31 March 2012
Raw material consumed		
Cost of Purchase of Trading Goods	45,205,017.34	2,312,290
Total	45,205,017.34	2,312,290

18. Other expenses

	Amount in Rupees	
	For the year ended 31 March 2013	For the year ended 31 March 2012
Bank Commission & Charges	843.00	742.00
Custodial Fees	89,888.00	33,090.00
Depository Charges	39,326.00	55,150.00
Electricity Exps	7,871.00	-
Listing Fees	45,930.00	47,179.00
Office Rent	255,000.00	-
Stationary & Printing Exp	1,200.00	-
VAT A/c Paid	3.17	-
Website Exp	6,000.00	-
Payments to the auditors		
For Audit Fees	18,000.00	18,000.00
Miscellaneous Exp	-	1,029,717.00
Preliminary Exp W/off	155,322.00	155,322.00
	619,383.00	1,339,200.00

NOTES : 2 ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FOR THE YEAR ENDED 31/03/2013

A.ACCOUNTING POLICIES

1) Basis of Preparation:

The financial statements have been prepared to comply in all material respects 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.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non current classification of assets and liabilities.

2) Statement of Significant Accounting Policies:

a) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

b) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Sale of Goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. The company collects sales taxes and value added taxes (VAT), wherever applicable, on behalf of the government and, therefore, these are not economic benefits flowing to the company. Hence, they are excluded from revenue. Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of liability arising during the year.

c) Valuation of Inventory

Stock in trade is valued at lower of cost and net realizable value. Cost of stock in trade is determined on a first in first out basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

d) Fixed Assets and Depreciation

Cost:

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

Depreciation:

Company does not provide for depreciation on its fixed assets.

e) Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

f) Income Taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each balance sheet date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

g) Impairment of Assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Profit and Loss Account. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

h) Cash and Cash Equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

i) Segment Reporting

The Company's operating businesses are organized and managed separately according to the nature of products, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the geographical location of the customers.

j) Earning per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

k) Contingent Liability

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

I) Provisions and Contingencies

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

As per our report of even date

For B.R. Shah & Associates

Firm Registration Number : 129053W

Chartered Accountants

For and on behalf of SAWACA BUSINESS MACHINES
LIMITED

Bhavik K. Shah

Partner

Place : Ahmedabad

Date : 27.08.2013

Chairman & Managing

Place : Ahmedabad

Date:27.08.2013

Director

SAWACA BUSINESS MACHINES LIMITED

Annual Accounts for the FYE 31/03/2013

**CASH FLOW STATEMENT
FOR THE YEAR ENDED MARCH 31ST,
2013**

Particular	For The Year Ended 31/03/2013	For The Year Ended 31/03/2012
<u>A. Cash Flow From Operating Activities</u>		
Net profit before tax and extra ordinary item	101,500	2,049,802
<u>Aj</u>	0	0
(A) Depreciation	0	0
(B) Preliminary Exp. W/off	155,322	155,322
(C) Long Term Capital Loss	0	0
(D) NPA Provision	0	0
	256,822	2,205,124
<u>Deduct :</u>		
Dividend Income	0	0
Bank Int. Income	0	0
Net of other income Cr. But not receiving/Exp. Dr. But Paid	0	0
Long term Capital Gain	0	0
Short Term Capital Gain	0	0
Speculation Gain	0	0
	0	0
Operating profit before working Capital Changes	256,822	2,205,124
<u>Adjustment for working capital changes</u>		
Increasing In Current Assets	-15,702,264	
Decreasing In Current Liability	15,069,279	0
		0
		0
<u>Cash Flow From Operation</u>	-376,163	2,205,124
<u>Less:</u>		
Direct Tax Paid	0	0
Cash Inflow before extraordinary items & prior year adjustment	-376,163	2,205,124
Extraordinary items and prior year adjustment	0	0
Net cash from Operating activities	-376,163	2,205,124

<u>B. Cash Flow From Investing Activities</u>	0	
Acquistition of fixed assets	0	0
Shares sold	0	0
Shares Purchased	0	0
Investment in Shares	0	0
Dividend Income	0	0
Bank Int. Income	0	0
Short term Capital Gain	0	0
Long term Capital Gain	0	0
Speculation profit	0	0
<u>Less:</u>		
Share Purchase		
Long Term Capital Loss	0	0
Net cash from Investing activities	0	0
<u>C. Cash Flow Arising From Financing Activities</u>		
Increase in Stuatutory Reserve	0	0
Increase in Reserve & Surpluse	0	0
decrease in bank OD	0	0
Increase in Security deposit		0
Decrease in Security Deposit (Repayment)	0	0
Increase in Intercompany Deposit		0
Decrease in relative deposit	0	0
Decrease in Unsecured Loans.	0	0
Increasing In Total Loan		0
Others		-4,598,292
Net cash from Financing activities	0	-4,598,292
Net increase in cash and Bank equivalents during the year	-376,163	-2,393,169
Add: Cash and Bank equivalents at the beginning of the year	3,076,333	5,469,501
Cash and Bank equivalents at the end of the year	2,700,170	3,076,333

Notes:

1. The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard on Cash Flow Statement (AS-3) issued by Companies (Accounting Standard) Rules, 2006.
2. Previous years' figures have been rearranged and/pr regrouped wherever necessary.

PLACE: AHMEDABAD
27/09/2013

FOR AND ON BEHALF OF DATE:
B. R SHAH & ASSOCIATES
CHARTERED ACCOUNTANTS

Sd/-
(Bhavik Shah)
(Partner)