

**SWASTI VINAYAKA ART AND
HERITAGE CORPORATION LIMITED**

27TH ANNUAL REPORT 2012-13

BOARD OF DIRECTORS :

Ramprasad Poddar

Chairman

Dinesh Poddar

Managing Director

Rajesh Poddar

Sanjiv Rungta

Piyush Shah

Nirmal Jain

Directors

SWASTI VINAYAKA ART AND HERITAGE CORPORATION LIMITED

• 27th Annual Report 2012-13 •

● REGISTERED OFFICE:

303, Tantia Jogani Industrial Estate,
J.R. Boricha Marg, Lower Parel,
Mumbai – 400 011.
Tel: 022-43443555
Fax: 022-23071511
E-mail: investors@svgcl.com
Website: www.svartcorp.in

● BANKERS:

HDFC Bank Limited

● AUDITORS:

Sanjay Raja Jain & Co.
Chartered Accountants

● 27TH ANNUAL GENERAL MEETING:

Date : July 27, 2013
Time : 11:30 a.m.
Venue : SACHIVALAYA GYMKHANA,
6, General Jagannathrao Bhosale Marg,
Opp. Mantralaya, Mumbai – 400 032.

● REGISTRARS AND TRANSFER AGENTS:

Bigshare Services Private Limited
E/2, Ansa Industrial Estate,
Sakivihar Road, Sakinaka, Andheri (East),
Mumbai – 400 072.
Tel No. : 022-40430200
Fax No.: 022-28475207
E-mail : investor@bigshareonline.com
Website: www.bigshareonline.com

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NOTICE

NOTICE is hereby given that the 27th Annual General Meeting of the Company will be held on Saturday, 27th July, 2013 at 11:30 a.m. at SACHIVALAYA GYMKHANA, 6, General Jagannathrao Bhosale Marg, Opp. Mantralaya, Mumbai-400 032 to transact the following business: -

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2013 and the Profit and Loss Account for the year ended on that date together with the Directors' and Auditors' Report thereon.
2. To declare dividend.
3. To appoint a Director in place of Mr. Nirmal Jain, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mr. Piyush Shah, who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS:

6. To consider and if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution.

"RESOLVED THAT Mr. Sanjiv Rungta, who was appointed as an additional Director of the Company and who holds office upto the date of this Annual General meeting pursuant to the provisions of Section 260 of the Companies Act, 1956 and being eligible for appointment and in respect of whom the Company has received notice in accordance with provisions of Section 257 of the Companies Act, 1956 from a member of the Company proposing his candidature for appointment as Director of the Company be and is hereby appointed as Director of the Company liable to retire by rotation."

7. To consider and if thought fit, to pass with or without modification, the following Resolution as a Special Resolution.

"RESOLVED THAT pursuant to section 198, 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII to the said Act as amended from time to time, the consent of the Members be and is hereby accorded to the appointment of Mr. Ramprasad Poddar as Managing Director of the Company for the period of three years w. e. f. April 1, 2013, upon and subject to the terms and conditions including the remuneration proposed to be paid and as contained in the agreement to be entered between the Company and Mr. Ramprasad Poddar, a draft whereof is placed before the meeting and initialed for the purpose of identification by the Chairman hereof.

RESOLVED FURTHER THAT in the event of loss, absence or inadequacy of profits in any financial year of the Company, the remuneration payable to Mr. Ramprasad Poddar shall be as specified in the Explanatory Statement enclosed herewith.

RESOLVED FURTHER THAT Mr. Ramprasad Poddar subject to the provisions of Section 255 of the Companies Act, 1956 shall not be liable to retire by rotation during his tenure as Managing Director of the Company.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such act, deeds, matters and things as may be considered necessary, desirable or expedient for the purpose of giving effect to this Resolution."

8. To consider and if thought fit, to pass with or without modification, the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to section 198, 269, 309, 310, 316 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII to the said Act as amended from time to time, the consent of the Members be and is hereby accorded to the appointment of Mr. Dinesh Poddar as Managing Director of the Company for the period of three years w. e. f. April 1, 2013, upon and subject to the terms and conditions including the remuneration proposed to be paid and as contained in the agreement to be entered between the Company and Mr. Dinesh Poddar, a draft whereof is placed before the meeting and initialed for the purpose of identification by the Chairman hereof.

RESOLVED FURTHER THAT in the event of loss, absence or inadequacy of profits in any financial year of the Company, the remuneration payable to Mr. Dinesh Poddar shall be as specified in the Explanatory Statement enclosed herewith.

RESOLVED FURTHER THAT Mr. Dinesh Poddar subject to the provisions of Section 255 of the Companies Act, 1956 shall not be liable to retire by rotation during his tenure as Managing Director of the Company.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such act, deeds, matters and things as may be considered necessary, desirable or expedient for the purpose of giving effect to this Resolution."

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE SHOULD BE DULY COMPLETED, STAMPED AND SIGNED AND MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. The Register of Members and Share Transfer Books will remain closed from Saturday, 20th July, 2013 to Saturday, 27th July, 2013. (Both days inclusive).

3. Dividend, if declared, shall be disbursed to the members:-

- a) Whose name appears as Beneficial Owners as at the end of business hours on 19th July, 2013 as per the list to be furnished by National Securities Depository Limited and Central Depository Services (India) Ltd. in respect of the shares held in electronic form.
- b) Whose names appears as Members in the Register of Members of the Company after giving effect to valid transfers in physical form lodged with the Company or Registrar and Share Transfer Agents on or before 19th July, 2013.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956

Item No. 6

In a meeting of the Board of Directors held on July 26, 2012 Mr. Sanjiv Rungta was appointed as an Additional Director of the Company. Mr. Sanjiv Rungta holds office only upto the date of the forthcoming Annual General Meeting. A notice in writing has been received from a member of the Company under Section 257 of the Companies Act, 1956, proposing candidature of Mr. Sanjiv Rungta for the office of Director.

Mr. Sanjiv Rungta, 50 years old is having 27 years of business experience. He has requisite knowledge and experience in management of the company. His continuation on the Board will be beneficial and an asset to the Company.

Your directors recommend passing of the ordinary resolution.

None of the directors except Mr. Sanjiv Rungta is interested in the passing of the resolution.

Item No. 7

Mr. Ramprasad Poddar, whose previous appointment as Managing Director ended on 31st March, 2013 was re-appointed as Managing Director by the Board of Directors for tenure of three years w. e. f. April 1, 2013.

In accordance with Schedule XIII, the appointment of Mr. Ramprasad Poddar as Managing Director of the Company requires shareholders' approval by passing Special Resolution, as he has attained the age of 77 years and his remuneration is within the limit prescribed in Section II (B) of Part II of Schedule XIII of the Companies Act, 1956.

The following information is required to be disclosed in accordance with Schedule XIII:

I. GENERAL INFORMATION:

- a) Nature of Industry: Gems and Jewellery and Real Estate
- b) Date of commencement of commercial production: June 12, 1985
- c) Export performance: During the previous year Company earned total foreign exchange of Rs. 14,66,740/-.
- d) Foreign investments or collaborations: Not Applicable

II. INFORMATION ABOUT THE APPOINTEE:

- a) Background details:
Mr. Ramprasad Poddar 77 years old is B.Com by qualification. He was appointed as Director of the Company on 30th June, 1989. Mr. Ramprasad Poddar who is presently Chairman of the Board and whose previous appointment as Managing Director ended on March 31, 2013 is re-appointed at the Board meeting held on March 29, 2013 as Managing Director for a period of three years effective from April 1, 2013 up to March 31, 2016. The draft agreement between the Company and Mr. Ramprasad Poddar for his reappointment contains interalia the following terms and conditions.
- b) Past remuneration:
Last drawn salary by the Managing Director was Rs 15 lakh p.a. during the financial year 2012-13.
- c) Job profile and his suitability:
The Managing Director would have the authority to oversee and implement the day-to-day operations of the Company. Managing Director will also be responsible for formulating the policies and strategies in consent with the Board of Directors of the Company. The appointee has clear vision and foresight to work for the prosperity and success of the company. The Managing Director has immense capacity for hard work, interpersonal skills, extraordinary ability for analytical thinking and positive attitude.
- d) Remuneration proposed:
 - (i) Salary of Rs. 1,25,000/- (Rs. One Lakh Twenty Five Thousand Only) per month.
 - (ii) Perquisites and Allowances:
 - (a) In addition to the salary payable, the appointee shall be entitled to perquisites and allowance like accommodation (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowances together with reimbursement of expenses or allowance for utilities such as gas, electricity, water, furnishing, repairs, society charges, property tax, medical reimbursement, medical/accident insurance, leave travel concession for himself and his family; club fees and other perquisites and allowances in accordance with rules of the Company or as may be agree to by the Board of Directors and the Managing Director.
 - (b) For the purposes of calculating the above ceiling, perquisites and allowances shall be evaluated as per Income-tax Rules, wherever applicable. In the absence of any such Rules, perquisites and allowances shall be evaluated at actual cost.
 - (c) Company's contribution to Provident Fund and Superannuation Fund or Annuity Fund, to the extent these either singly or together are not taxable under the Income Tax Act, gratuity payable as per rules of the Company and

encashment of leave at the end of the tenure shall not be included in the computation of limits for the remuneration or perquisites aforesaid.

- (d) The total remuneration including salary, perquisites, allowances (other than exempted perquisites and allowance) and other monetary benefits shall not exceed the maximum ceiling of Rs. 2,50,000/- per month.

(iii) **Minimum Remuneration:**

Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of the Managing Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites and allowances as specified above.

(iv) **General Terms and Conditions:**

- (a) The terms and conditions of the said appointment and/or agreement may be altered and varied from time to time by the Board as it may, in its discretion, deem fit within the maximum amount payable to the Managing Director in accordance with Schedule XIII to the Act or any amendments made hereafter in this regard.
- (b) The appointment may be terminated by either party giving the other party six months notice, or the Company paying six months salary in lieu of the notice.
- (c) If at any time the Managing Director ceases to be a Director of the Company for any cause whatsoever, he shall cease to be the Managing Director of the Company.

III. OTHER INFORMATION:

a) **Reasons for loss or inadequate profits:**

The company has made profits during the current financial year and is also paying dividends for the last 7 consecutive years. However the profits are inadequate to pay desired remuneration to the appointee.

In accordance with the provisions of Section 309 of the Act, the terms of remuneration specified above are now being placed before the Members in General Meeting for their approval.

The draft Agreement between the Company and Managing Director is available for inspection by the members of the Company at the Registered Office of the Company between 11.00 am. and 1.00 p.m. on any working day till the Annual General Meeting of the Company.

Your directors recommend passing of the special resolution.

None of the directors except Mr. Ramprasad Poddar, Mr. Dinesh Poddar, Mr. Rajesh Poddar are interested in the passing of the said resolution.

Item No. 8

Mr. Dinesh Poddar whose previous appointment as Managing Director ended on March 31, 2013 was re-appointed as Managing Director by the Board of Directors for tenure of three years w. e. f. April 1, 2013.

In accordance with Schedule XIII, the appointment of Mr. Dinesh Poddar as Managing Director of the Company requires shareholders' approval by passing Special Resolution and his remuneration is within the limit prescribed in Section II (B) of Part II of Schedule XIII of the Companies Act, 1956.

The following information is required to be disclosed in accordance with Schedule XIII:

I. GENERAL INFORMATION:

- a) Nature of Industry: Gems and Jewellery, Real Estate
- b) Date of commencement of commercial production: June 12, 1985
- c) Export performance: During the previous year Company earned total foreign exchange of Rs. 14,66,740/-.
- d) Foreign investments or collaborations: Not Applicable

II. INFORMATION ABOUT THE APPOINTEE:

a) **Background details:**

Mr. Dinesh Poddar 47 years old is B.Com, MBA, MS (U.S.A.) by qualification. He was appointed as Director of the Company on June 30, 1989. Mr. Dinesh Poddar, whose previous appointment as Managing Director ended on March 31, 2013, was re-appointed as Managing Director by the Board of Directors for tenure of three years w. e. f. April 1, 2013. The draft agreement between the Company and Mr. Dinesh Poddar for his reappointment contains interalia the following terms and conditions.

b) **Past remuneration:**

Last drawn salary by the Managing Director was Rs.15 lakh p.a. during the financial year 2012-13.

c) **Job profile and his suitability:**

The Managing Director would have the authority to oversee and implement the day-to-day operations of the Company. Managing Director will also be responsible for formulating the policies and strategies in consent with the Board of Directors of the Company. The Managing Director has clear vision and foresight to work for the prosperity and success of the company. The Managing Director has immense capacity for hard work, interpersonal skills, extraordinary ability for analytical thinking and positive attitude.

d) **Remuneration proposed:**

- (i) Salary: Rs. 1,25,000/- (Rupees One lakh twenty five thousand only) per month.

(ii) **Perquisites and allowances:**

- (a) In addition to the salary payable, the Managing Director shall

be entitled to perquisites and allowance like accommodation (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowances together with reimbursement of expenses or allowance for utilities such as gas, electricity, water, furnishing, repairs, society charges, property tax, medical reimbursement, medical/accident insurance, leave travel concession for himself and his family; club fees and other perquisites and allowances in accordance with rules of the Company or as may be agreed to by the Board of Directors and the Managing Director.

- (b) For the purposes of calculating the above ceiling, perquisites and allowances shall be evaluated as per Income-tax Rules, wherever applicable. In the absence of any such Rules, perquisites and allowances shall be evaluated at actual cost.
- (c) Company's contribution to Provident Fund and Superannuation Fund or Annuity Fund, to the extent these either singly or together are not taxable under the Income Tax Act, gratuity payable as per rules of the Company and encashment of leave at the end of the tenure shall not be included in the computation of limits for the remuneration or perquisites aforesaid.
- (d) The total remuneration including salary, perquisites, allowances (other than exempted perquisites and allowance) and other monetary benefits shall not exceed the maximum ceiling of Rs. 2,50,000/- per month.
- (iii) **Minimum Remuneration:**
Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of the appointee, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites and allowances as specified above.
- (iv) **General Terms and Conditions:**
- (a) The terms and conditions of the said appointment and/or agreements may be altered and varied from time to time by the Board as it may, in its discretion, deem fit within the maximum amount payable to the Managing Director in accordance with Schedule XIII to the Act or any amendments made hereafter in this regard.
- (b) The appointment may be terminated by either party giving the other party six months notice, or the Company paying six months salary in lieu of the notice.
- (c) If at any time the Managing Director ceases to be a Director of the Company for any cause whatsoever, he shall cease to be the Managing Director of the Company.

is also paying dividends for the last 7 consecutive years. However the profits are inadequate to pay desired remuneration to the appointee. In accordance with the provisions of Section 309 of the Act, the terms of remuneration specified above are now being placed before the Members in General Meeting for their approval.

The draft Agreement between the Company and Mr. Dinesh Poddar is available for inspection by the members of the Company at the Registered Office of the Company between 11.00 am. and 01.00 p.m. on any working day till the Annual General Meeting of the Company.

Your directors recommend passing of the special resolution.

None of the directors except directors except Mr. Ramprasad Poddar, Mr. Dinesh Poddar, Mr. Rajesh Poddar are interested in the passing of the said resolution.

Registered Office:
303, Tantia Jogani Industrial Estate,
J. R. Boricha Marg, Lower Parel,
Mumbai – 400 011.

By Order of the Board
**Swasti Vinayaka Art And
Heritage Corporation Limited**

Date: May 30, 2013
Place: Mumbai

Ramprasad Poddar
Chairman

III. OTHER INFORMATION:

- a) **Reasons for loss or inadequate profits:**
The company has made profits during the current financial year and

SWASTI VINAYAKA ART AND HERITAGE CORPORATION LIMITED

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DIRECTORS' REPORT

To
The Members,
The Directors have pleasure in presenting the 27th Annual Report and the Audited Statement of Accounts for the year ended 31st March, 2013.

FINANCIAL RESULTS:

(Rs. In Lacs)

Sr. No.	Particulars	Year Ended 31.03.2013	Year Ended 31.03.2012
1.	Net Sales / Income	851.85	965.81
2.	Total Expenditure		
	i) Cost of materials consumed	8.62	6.92
	ii) Purchase of Stock	181.14	198.14
	iii) Manufacturing and Operating Cost	31.74	30.76
	iv) Changes in Inventories	(86.32)	(67.32)
	v) Employee Benefit Expenses	80.97	82.34
	vi) Financial Cost	153.70	158.82
	vii) Depreciation	51.97	60.63
	viii) Other Expenditure	259.90	253.09
	Total	681.72	723.38
3.	Profit Before Tax	170.13	242.43
4.	Provision for Taxation		
	i) Current Tax	(59.91)	(87.27)
	ii) Deferred Tax	3.73	6.13
	iii) Tax for Earlier Years	0.32	(0.04)
5.	Profit After Tax (3-4)	114.27	161.25
6.	Balance carried from previous year	39.49	21.37
7.	Amount available for Appropriation	153.76	182.62
8.	Appropriations:		
	Interim Dividend	-	40.00
	Proposed Dividend	80.00	40.00
	Dividend Distribution Tax	13.60	13.13
	Transferred to General Reserve	50.00	50.00
9.	Balance carried to Balance Sheet	10.16	39.49

DIVIDEND:

We are pleased to announce that the Board of Directors has recommended dividend of Re. 0.20 per equity share of Re. 1/- each (i.e. 20%) aggregating Rs.80 Lacs (excluding dividend distribution tax as applicable) for the year ended on 31st March, 2013.

OPERATIONS:

During the period under review the profit after tax (PAT) stood at Rs. 114.27 Lacs (Previous Year Rs. 161.25 Lacs), a decrease of 29.13% as compared to last year. However, Board has decided to recommend, Dividend at 20% for the Financial Year ended 31st March, 2013.

DIRECTORS:

Mr. Nirmal Jain and Mr. Piyush Shah retires by rotation and, being eligible, offers themselves for re-appointment at the ensuing Annual General Meeting.

Mr. Vishwanath Rungta, independent director on the Board demitted office due to demise. Board records its condolence for the departed soul. Mr. Sanjiv Rungta was appointed as an additional director w. e. f. July 26, 2012 and shall hold office till next annual general meeting of the Company.

DIRECTOR'S RESPONSIBILITY STATEMENT:

The Directors state that: -

- i. In the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures.
- ii. The Directors had selected such accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year covered under this Report and of the profit of the Company for the year.

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- iii. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. The Directors had prepared the annual accounts on a going concern basis.

FIXED DEPOSITS:

The Company has not accepted/ renewed any Deposits from the Public under Section 58A of the Companies Act, 1956.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, AND FOREIGN EXCHANGE EARNING AND OUTGO:

In view of the nature of activities of the Company, Rules 2A and 2B of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 concerning conservation of energy and technology absorption respectively are not applicable to the Company.

Form "C": Disclosure of particulars with respect to foreign exchange earnings and outgo.

	Year Ended 31.03.2013 (Rs.)	Year Ended 31.03.2012 (Rs.)
Foreign Exchange Earned	14,66,740	8,70,065
Foreign Exchange Used	32,38,168	31,61,379

AUDITORS:

M/s. Sanjay Raja Jain & Co., Chartered Accountants, Mumbai will retire at the ensuing meeting and being eligible offers themselves for re-appointment.

COMPLIANCE CERTIFICATE UNDER PROVISIO TO SUB-SECTION (1) OF SECTION 383A OF THE COMPANIES ACT, 1956:

Compliance Certificate issued under sub-Section (1) of Section 383A of the Companies Act, 1956 by the Practicing Company Secretary for your Company is attached to this report.

EMPLOYEES:

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

LISTING ARRANGEMENT:

Your Company continues to be listed on the Stock Exchange, Mumbai where the Company's Shares are being traded. The Company has paid Listing Fees for the year 2013-14.

CORPORATE GOVERNANCE:

Your company believes that Corporate Governance is a voluntary code of self-discipline. In line with this policy, the Board of Directors strongly believes that it is very important that the Company follows healthy Corporate Governance practices and reports to the shareholders the progress made on the various

measures undertaken. Therefore, your directors have been reporting the initiatives on Corporate Governance measures adopted by your Company.

MANAGEMENT DISCUSSION AND ANALYSIS:

GEMSTONE CARVINGS, SIGNIO PAINTINGS AND COUTURE JEWELLERY:

This year the pressure on Luxury Industry increased and we witnessed a softening of demand in this category. We tried to innovate and focused on Corporate gifting segment this year which yielded good results and will continue to so even in the future. Our exports to the U.S. through our participation in the TUCSON Exhibition grew this year and with a stronger U.S. economy we feel this will only improve in the coming years. We are hopeful that next year will be better and we can export our products in bigger quantities.

Our entire team at SVART takes this opportunity to thank you, our valued investors for keeping your faith in us during these formative but very crucial years. We shall go that extra mile to respect this faith and shall persevere to maximise your long term returns. Thank you once again.

REAL ESTATE:

The real estate industry saw a stable market in 2012-13 as was our forecast at the beginning of the year. Currently we are seeing a softening in demand and this could lead to margin contraction in 2013-14.

ACKNOWLEDGEMENTS:

We record our gratitude to the Banks and others for their assistance and co-operation during the year. We also wish to place on record our appreciation for the dedicated services of the employees of the Company. We are equally thankful to our esteemed investors for their co-operation extended to and confidence reposed in the management.

Registered Office:

303, Tantia Jogani Industrial Estate,
J. R. Boricha Marg, Lower Parel,
Mumbai – 400 011.

By Order of the Board
**Swasti Vinayaka Art And
Heritage Corporation Limited**

Date: May 30, 2013
Place: Mumbai

Ramprasad Poddar
Chairman

CORPORATE GOVERNANCE REPORT

Your Company has complied with all material aspects of the Corporate Governance Code as per Clause 49 of the Listing Agreement with the Stock Exchanges. A Report on the Corporate Governance compliance is furnished below:

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

Good Corporate Governance helps enhancement of long term shareholders value and interest of other stakeholders. This is achieved through increased awareness for responsibility, transparency and professionalism and focus on effective control and management of the organization. The Board of Directors of the Company is committed to the consistent adherence to the corporate governance code and constant review of the Board processes, practices and the Management Systems to maintain a greater degree of responsibility and accountability.

2. BOARD OF DIRECTORS:

The constitution of the Board of Directors is as under:

The Board presently consists of 6 (Six) Directors, out of which 2 (Two) are Executive Directors and 1 (One) is Non Executive Director and 3 (Three) are Independent Directors. The Composition of the Board of Directors of the Company thus meets the stipulated requirements. Except Chairman and Managing Director, the other Directors retire by rotation.

(A) THE CONSTITUTION OF THE BOARD AS ON MARCH 31, 2013:

The Composition of the Board of Directors and also the number of other Directorship or Committees of which they are member/ Chairperson are as given below:

Directors	No. of other Directorship		No. of other Committee positions	
	Public	Private	Member	Chairman
Ramprasad Poddar Promoter Executive	2	5	-	-
Dinesh Poddar Promoter Executive	3	6	-	1
Rajesh Poddar Promoter Non-Executive	2	5	3	-
Vishwanath Rungta* Independent	-	-	-	-
Piyush Shah Independent	2	1	1	2
Nirmal Jain Independent	3	-	1	-
Sanjiv Rungta** Independent	2	1	1	-

(B) BOARD PROCEDURE

The Board of the Company met 7 times during the year-ended 31.03.2013. Notice and Agenda were circulated in advance of each meeting of the Board of Directors. The Chairman briefed the Board at every meeting on the overall performance of the Company. The Board mainly deliberated on the following subjects:

- Strategy and Business Plans
- Operations and Capital Expenditures
- Finance and Banking operations
- Adoption of Quarterly/Half yearly/ Annual Results
- Compliance with Statutory/ Regulatory requirements and review of major Legal Issues
- Significant Labour Issues

(C) ATTENDANCE OF EACH DIRECTOR AT THE BOARD MEETINGS AND THE LAST ANNUAL GENERAL MEETING:

During the year ended March 31, 2013, 7 (Seven) Board Meetings were held on May 26, 2012; July 26, 2012; October 27, 2012; November 30, 2012; January 24, 2013; March 14, 2013 and March 29, 2013. Annual General Meeting during the year was held on July 14, 2012.

Name of the Directors	No. of Board Meeting Attended	Attendance At last AGM Held on July 14, 2012
Ramprasad Poddar	7	Yes
Dinesh Poddar	7	Yes
Rajesh Poddar	7	Yes
Vishwanath Rungta*	1	No
Nirmal Jain	4	No
Piyush Shah	4	No
Sanjiv Rungta**	2	No

*Ceased to be director due to demise on June 29, 2012

** Appointed Additional Director on July 26, 2012

(D) DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT:

The brief particulars of the Directors of the company, being re-appointed as Directors retiring by rotation and new appointment of director at the ensuing Annual General Meeting are as under:

- (i) Mr. Nirmal Jain retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment.

Mr. Nirmal Jain, 55 years old is having more than 35 years of business experience. His continuation on the Board will be an asset to the Company.

- (ii) Mr. Piyush Shah retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment.

Mr. Piyush Shah, 38 years old is having more than 20 years of business experience. His continuation on the Board will be an asset to the Company.

- (iii) Mr. Sanjiv Rungta was appointed additional director by the Board and shall demit his office at the ensuing Annual General Meeting. Company has received a letter from a member of the Company proposing his candidature for appointment as Director of the Company

Mr. Sanjiv Rungta, 50 years old is having more than 27 years of business experience. His continuation on the Board will be an asset to the Company.

3. COMMITTEES OF THE BOARD:

The Board of Directors has Constituted Three committees of the Board (i) The Audit Committee (ii) Remuneration Committee and (iii) The Share Transfer and Investors Grievance Redressal Committee

(i) AUDIT COMMITTEE:

BRIEF DESCRIPTION OF TERMS OF REFERENCE

The audit committee shall have powers, which include the following:

As per the guidelines set out in the listing agreements that, inter alia, include overseeing financial reporting processes, reviewing with the management the financial statements, accounting policies and practices, adequacy of internal control systems, adequacy of internal audit function and discussion with internal auditors on any signification findings, financial and risk management policies.

The Committee's powers, role and functions are as stipulated in Clause 49 of the Listing Agreement and under Section 292A of the Companies Act, 1956.

COMPOSITION

The Audit Committee consists of 2 (Two) Independent Directors and 1 (one) Non-Executive Director. Mr. Piyush Shah is appointed Chairman of the Committee. The members of the committee have requisite experience in corporate management, finance, Accounts and corporate laws. The Audit committee held four meetings during the year.

The constitution of Audit Committee is as follows:

1. Mr. Piyush Shah - Chairman
2. Mr. Nirmal Jain - Member
3. Mr. Rajesh Poddar - Member

(ii) REMUNERATION COMMITTEE:

BRIEF DESCRIPTION OF TERMS OF REFERENCE

- To review, assess and recommend the appointment of Managing/ whole-time directors.
- To periodically review the remuneration package of Managing/ whole-time directors and next level and recommend suitable revision to the Board.
- To seek financial position of the Company
- Trends in the Industry.
- Interest of the company and shareholders.

COMPOSITION:

The present Remuneration Committee comprises of 2 (Two) Independent Directors and 1 (One) Non-Executive Director. Mr. Vishwanath Rungta remains appointed as the Chairman of the Committee.

The constitution of the present Remuneration Committee is as follows:

1. Mr. Piyush Shah - Chairman
2. Mr. Sanjiv Rungta - Member
3. Mr. Rajesh Poddar - Member

Note: The Remuneration Committee was reconstituted by the Board on July 26, 2012 owing to cessation of directorship of Mr. Vishwanath Rungta. Mr. Sanjiv Rungta, director was appointed as the member of the Remuneration Committee.

The break up of the remuneration paid to Managing Director and the Whole-time Directors are follows: (Rs. in Lacs)

Sr. No.	Name of Directors	Gross Salary	Benefits	Sitting Fee	Total
1.	Ramprasad Poddar	6.00	1.06	-	7.06
2.	Dinesh Poddar	5.61	3.85	-	9.46

(iii) THE SHARE TRANSFER AND SHAREHOLDERS / INVESTORS GRIEVANCE REDRESSAL COMMITTEE.

BRIEF DESCRIPTION OF TERMS OF REFERENCE

- Transfers of shares
- Non-receipt of Balance sheet
- Non-receipt of declared dividends
- Any other complaint forwarded by the Board of directors

COMPOSITION

The Company has "The Share Transfer and Shareholders / Investors Grievance Redressal Committee" of the Board, to look into various issues relating to investors grievances including non-receipt of declared dividend, Annual Reports transfer/transmissions of shares, issue of duplicate share certificates etc. The Committee comprises of 3 (three) Directors of which One is Executive Director, the others are One non – Executive Directors and One Independent Director. Mr. Dinesh Poddar is appointed Chairman of the Committee.

The constitution of the present Committee is as follows:

- 1) Mr. Dinesh Poddar - Chairman
- 2) Mr. Rajesh Poddar - Member
- 3) Mr. Piyush Shah - Member

The Company's shares are compulsory traded in the dematerialized form in all the Stock Exchanges. Mr. Nagabhushan Hedge, CEO, has been appointed as the Compliance Officer as required by the Listing Agreement.

All the complaints received are replied to the satisfaction of the shareholders. There are no pending complaints requiring intervention of the committee.

SWASTI VINAYAKA ART AND HERITAGE CORPORATION LIMITED

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4. GENERAL BODY MEETINGS:

Location and time, where last three Annual General Meetings were held is given below:

Financial Year	Date	Location of the Meeting	Time
31.03.2012	14.07.2012	SACHIVALAYA GYMKHANA, 6, General Jagannathrao Bhosale Marg, Opp. Mantralaya, Mumbai – 400 032	11:30 A.M
31.03.2011	09.07.2011	SACHIVALAYA GYMKHANA, 6, General Jagannathrao Bhosale Marg, Opp. Mantralaya, Mumbai – 400 032	11:30 A.M
31.03.2010	10.07.2010	SACHIVALAYA GYMKHANA, 6, General Jagannathrao Bhosale Marg, Opp. Mantralaya, Mumbai – 400 032	11:30 A.M

No Special resolution was required to be passed through postal ballot at the last Annual General Meeting nor is it proposed this year.

5. DISCLOSURE:

The Company has not entered into any transaction of a material nature which will have a conflict with its interest during the year.

The disclosure of related party transactions as required by the accounting standard (AS) 18 on 'Related Party disclosures' issued by the Institute of Chartered Accountants of India (ICAI) is given under note no. 28 of notes to the accounts. All the transactions covered under related party transactions were fair, transparent and at arms length.

There was no material non-compliance by the Company and no penalties or strictures imposed on the Company by the stock exchanges, SEBI or statutory authorities on any matter related to Capital Markets during last three years.

6. MEANS OF COMMUNICATION:

The quarterly, half yearly and annual results are communicated to the Bombay Stock Exchange where the Company's shares are listed as soon as the same are approved and taken on record by the Board of Directors of the Company. Further the results are published in widely circulating national and local dailies. The quarterly and half-yearly results are not sent individually to the shareholders.

7. GENERAL SHAREHOLDERS INFORMATION:

a. Registered Office : 303 Tantia Jogani Industrial Estate
J R Boricha Marg, Lower Parel
Mumbai - 400011

b. Annual General Meeting

Date and time : July 27, 2013 at 11:30 a.m.
Venue : SACHIVALAYA GYMKHANA,
6, General Jagannathrao Bhosale Marg,
Opp. Mantralaya, Mumbai – 400 032

c. Financial Calendar (2013-14)

Result to be tabled and adopted in the month of

- i) First Quarter ended June 30, 2013 : July, 2013
- ii) Half Yearly / Second Quarter ended September 30, 2013 : October, 2013
- iii) Third Quarter / Nine Months ended December 31, 2013 : January, 2014
- iv) Yearly Audited / Fourth Quarter ended March 31, 2014 : May, 2014

d. Date of Book Closure

: Saturday, July 20, 2013 to
Saturday, July 27, 2013
(Both days inclusive)

e. Dividend payment date

: Within 30 days of AGM; if approved by the Shareholders of the Company.

f. Listing at stock Exchanges

: The Stock Exchange, Mumbai

g. Stock Code

: Physical Segment – BSE: 512257
NSDL/CDSL-ISIN: INE895A01023

h. Stock Market Data

: The monthly high and low process during the year at BSE is as follows:

Months	Mumbai Stock Exchange	
	High	Low
April, 2012	3.99	2.82
May, 2012	3.90	3.01
June, 2012	3.68	3.06
July, 2012	3.49	3.00
August, 2012	3.39	3.00
September, 2012	3.68	2.91
October, 2012	4.17	3.00
November, 2012	3.50	3.02
December, 2012	3.30	3.01
January, 2013	3.48	2.56
February, 2013	3.48	2.90
March, 2013	3.10	2.71

SWASTI VINAYAKA ART AND HERITAGE CORPORATION LIMITED

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i. SHARE HOLDING PATTERN AS ON 31.03.2013:

Category	No. of Shares	%
Promoters	20400000	51.00
Corporate Bodies	3451670	8.63
NRI / OCB's	15600	0.04
Indian Public	16132730	40.33
TOTAL	*40000000	100.00

* Out of these, 39441951 (99.43%) shares are Dematerialized and the balance 228049 (0.57%) are lying in physical form as on 31.03.2013.

j. SHARE TRANSFER SYSTEM:

Trading in Equity Shares of the Company is permitted only in dematerialized form as per notification issued by the Securities and Exchange Board of India (SEBI). Big Shares Services Private Limited handles both Demat and Physical Shares Transfers.

The shareholders / Investors Grievance Committee meets periodically to consider the transfer and other proposals and attend to shareholders grievances.

The Share Transfers, which are received in physical form, are processed and the share certificates are returned within 21 days from the date of receipt, subject to Documents being valid and complete in all respects. There are no such instances pending with the Company at the year-end.

K. DISTRIBUTION OF SHAREHOLDING AS 31.03.2013:

Share Holding of nominal value of Rupees	No. of Share-holders	% of Share-holders	No. of Shares held	% of Share-holding
Upto 5000	2328	81.34	2833158	7.08
5001 TO 10000	221	7.72	1710981	4.28
10001 TO 20000	124	4.33	1915299	4.79
20001 TO 30000	46	1.61	1127371	2.82
30001 TO 40000	30	1.05	1054166	2.64
40001 TO 50000	18	0.63	840603	2.10
50001 TO 100000	50	1.75	3409563	8.52
100001 & ABOVE	45	1.57	27108859	67.77
	2862	100.00	40000000	100.00

I. REGISTRAR AND SHARE TRANSFER AGENT : Bigshare Services Private Limited
E-2, Ansa Industrial Estate,
Sakivihar Road, Saki Naka,
Andheri (East), Mumbai - 400 072.
Phone No.: 022 - 40430200.

m. COMPLIANCE OFFICER : Mr. Nagabhushan Hegde,
303, Tantia Jogani Industrial Estate,
J. R. Boricha Marge, Lower Parel,
Mumbai - 400 011.
Phone No.: 022 - 43443555.

CERTIFICATE REGARDING COMPLIANCE OF CORPORATE GOVERNANCE

To,
The Members of
SWASTI VINAYAKA ART AND HERITAGE CORPORATION LIMITED
303 Tantia Jogani Industrial Estates,
J. R. Boricha Marg, Lower Parel,
Mumbai - 400 011.

We have reviewed the compliance of conditions of Corporate Governance by **SWASTI VINAYAKA ART AND HERITAGE CORPORATION LIMITED**, for the year ended on March 31, 2013 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Bombay stock exchange.

The compliance of conditions of corporate governance is the responsibility of the management. Our review 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.

In our opinion and to the best of our information and according to the explanations given to us, we, certify that the company has taken steps to comply with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

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

For **SANDEEP DAR & CO.**
Company Secretary in Practise

Place: Mumbai
Date: May 30, 2013

Sandeep Dar
Proprietor
C. P. No. : 1571

COMPLIANCE CERTIFICATE

To
The Members
SWASTI VINAYAKA ART AND HERITAGE CORPORATION LIMITED
303, Tantia Jogani Industrial Estate, J.R. Boricha Marg,
Lower Parel,
Mumbai – 400011.

CIN: L51900MH1985PLC036536

We have examined the registers, records, books and papers of **Swasti Vinayaka Art And Heritage Corporation Limited** (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on March 31, 2013. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act and the rules made thereunder.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities under the Act and the rules made thereunder.
3. The Company, being a public limited Company, has the minimum prescribed paid up capital.
4. The Board of Directors met seven (7) times on:
 - (i) May 26, 2012
 - (ii) July 26, 2012
 - (iii) October 27, 2012
 - (iv) November 30, 2012
 - (v) January 24, 2013
 - (vi) March 14, 2013
 - (vii) March 29, 2013in respect of which meetings the proceedings were recorded in the Minutes Book maintained for the purpose.
5. The Company has closed its Register of Members and Share Transfer Books from July 7, 2012 to July 14, 2012 during the financial year.
6. The Annual General Meeting for the financial year ended on March 31, 2012 was held on July 14, 2012.
7. No Extra-Ordinary General Meeting was held during the financial year.
8. The Company has advanced loans to another Bodies Corporate referred to under Section 295(1) (e) of the Companies Act, 1956.
9. The Company has entered into contracts falling within the purview of Section 297 of the Act.
10. The Company has made entries in the register maintained under Section 301 of the Act, with regard to the disclosure of interest of directors in other bodies corporate, in accordance with section 299 (3)(b) of the Act.
11. We have been informed by the Company that remuneration drawn by the directors from the company were in their capacity as directors and the company was not required to obtain any approval from the Board of directors, members or central government pursuant to Section 314 of Act.
12. The Company has not issued any duplicate certificates during the financial year.
13. The Company has:
 - (i) delivered all share certificates received for registration of transfers in accordance with the provisions of the Act during the financial year.
 - (ii) not deposited the amount of dividend declared in a separate Bank Account within five days from the date of declaration of such dividend.
 - (iii) paid/ posted warrants for dividends to all the members of the Company within a period of 30 (Thirty) days from the date of declaration and that all unclaimed/unpaid dividend has been transferred to Unpaid Dividend Account of the company with HDFC Bank.
 - (iv) No amount in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon remained unclaimed or unpaid for the period of seven years and required to be transferred to Investor Education and Protection Fund.
 - (v) Duly complied with the requirements of Section 217 of the Act.
14. The Board of directors of the Company is duly constituted. There was appointment of additional director of Mr. Sanjiv Rungta and no alternate directors and directors to fill casual vacancy during the financial year. Mr. Vishwanath Rungta ceased to be director due to demise on June 29, 2012 during the year.
15. The Company has re-appointed Mr. Ramprasad Poddar and Mr. Dinesh Poddar as managing directors during the financial year.

16. The Company has not appointed any sole selling agents during the financial year.
17. The Company, subject to the compliance u/s 295, 297 (Central Government Approval) of the Companies Act, 1956 was not required to obtain any approval of the Central Government, Company Law Board, Regional Director, Registrar of Companies and/or such authorities prescribed under the various provisions of the Act.
18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The Company has not issued any shares, debentures or other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. There was no redemption of preference shares or debentures during the financial year.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not accepted/invited any deposits including any unsecured loans falling within the purview of Section 58A during the financial year.
24. The amount borrowed by the Company from banks and others during the financial year ending March 31, 2013 are within the borrowing limits of the company as per Section 293(1)(d) of the Act.
25. The company has made loans and investments, or given guarantees or provided securities to other bodies corporate and has made necessary entries in the register kept for the purpose.
26. The Company has not altered the provisions of the memorandum with respect to situation of the Company's registered office from one state to another during the year under scrutiny.
27. The Company has not altered the provisions of the memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the memorandum with respect to share capital of the Company during the year under scrutiny.
30. The Company has not altered its articles of association during the financial year.
31. There was no prosecution initiated against or show cause notices received by the Company, during the financial year, for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The provisions of Section 418 of the Act are not applicable to the company.

**For SANDEEP DAR & CO.
Company Secretary in Practise**

Place: Navi Mumbai
Date: May 30, 2013

Sandeep Dar
Proprietor
C. P. No. : 1571

SWASTI VINAYAKA ART AND HERITAGE CORPORATION LIMITED

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ANNEXURE 'A'

Registers maintained by the Company

1. Register of Members.
2. Minutes Books of proceedings of General Meetings and Board of Directors.
3. Books of Accounts.
4. Register of Directors.
5. Register of Directors' Shareholdings.
6. Register of Contracts.
7. Register of loans and investments made, guarantees given or securities provided.
8. Register of Charges.
9. Register of Investments.

ANNEXURE B

Forms and Returns filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ended March 31, 2013.

Sr. No	Form No. / Return	Filed under section of Companies Act, 1956	Particulars of Filing	Effective Date	Date of filing	Whether filed within prescribed time
1	Form 8	125	Creation of charge	28.12.2012	09.01.2013	Yes
2	Form 66	383A	Compliance Certificate for year ending 31.03.2012	14.07.2012	27.07.2012	Yes
4	Schedule V	159	Annual Return as on 09.07.2011	14.07.2012	10.08.2012	Yes
5	Schedule VI Form 23AC & 23ACA in XBRL Format	220	Balance Sheet as on 31.03.2012 and Profit and Loss Account as on 31.03.2012	14.07.2012	10.12.2012	Yes
6	Form 25C	269	Re-appointment of Managing Director	01.04.2013	19.04.2013	Yes
7	Form 25C	269	Re-appointment of Managing Director	01.04.2013	19.04.2013	Yes
8	Form 23	302	Appointment and cessation of Directors	29.03.2013	13.04.2013	Yes
8	Form 23	302	Appointment and cessation of Directors	29.03.2013	12.04.2013	Yes
9	Form 5INV		Statement of unclaimed and unpaid amount as on 31.03.2011		19.10.2012	Yes
10	Form 5INV		Statement of unclaimed and unpaid amount as on 31.03.2012		28.11.2012	Yes
11	Form 32	260	Appointment of Additional Director	26.07.2012	03.08.2012	Yes
12	Form 32	303(2)	Cessation of Director	29.06.2012	27.07.2012	Yes

For **SANDEEP DAR & CO.**
Company Secretary in Practice

Place: Navi Mumbai
Date: May 30, 2013

Sandeep Dar
Proprietor
C. P. No. : 1571

INDEPENDENT AUDITORS' REPORT

To,
The Members of **SWASTI VINAYAKA ART AND HERITAGE CORPORATION LIMITED.**

Report on Financial Statements

We have audited the accompanying financial statements of **Swasti Vinayaka Art And Heritage Corporation Limited** ("the Company"), which comprise 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.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit/ loss for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
 - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards 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 March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For **SANJAY RAJA JAIN & CO.**
CHARTERED ACCOUNTANTS
Firm Reg. No. 120132W

Place : Mumbai.
Date : 30th May 2013

SANJAY RAJA JAIN
(PARTNER)
Membership No. 108513

ANNEXURE TO INDEPENDENT AUDITORS' REPORT

(Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date)

1. a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
- b) As explained to us, the fixed assets have been physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
- c) In our opinion, the Company has not disposed of substantial part of fixed assets during the year and asset sold do not affect its going concern.
2. a) As explained to us, inventories have been physically verified by the management at regular intervals during the year.
- b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) In our opinion and according to the information and explanation given to us, the Company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventory as compared to the book records
3. In respect of loans, secured or unsecured taken or granted by the Company from/to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956 :
 - a. The Company has taken loans from 5 (Five) (P.Y. Five) parties covered in the register maintained U/s. 301 of the Companies Act, 1956 aggregating to Rs. 5,32,30,000/- (P.Y. Rs. 7,24,00,409/-) during the year and year end balance is Rs. 6,52,50,000/- (Previous Year 8,62,35,000/-) and maximum amount involved during the year is Rs.9,68,74,551/- (P.Y. Rs.10,37,74,551/-)
 - b. The company has granted loan to 1 (one) (P.Y.one) parties covered in the register maintained U/s. 301 of the Companies Act, 1956. aggregating to Rs. 31,00,000/- (P.Y. Rs. 3,96,00,000/-) during the year and year end balance is Rs. Nil (Previous Year 1,16,00,000/-) and maximum amount involved during the year is Rs. 1,17,23,283/- (P.Y. Rs. 2,41,91,687/-)
 - c. In our opinion and according to the information and explanations given to us, the rate of interest, wherever applicable and other Terms and Conditions are not prima facie prejudicial to the interest of the Company.
 - d. There is no overdue amount in respect of loans given/ taken by the Company and as same is repayable on demand.
4. 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, fixed assets and also for the sale of goods. During the course of our audit, we have not observed any major weaknesses in internal controls.
5. a) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements, that needed to be entered into in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
- b) In our opinion and according to the information and explanations given to us, the transactions in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding Rs. 5,00,000/- (Rupees Five Lakhs only) in respect of any party during the year have been made at price, which are reasonable having regard to prevailing market price at the relevant time.
6. As explain to us the Company has not accepted any deposits from the public within the meaning of Section 58A and 58AA of the Companies Act, 1956 and the Rules framed there under.
7. In our opinion, the internal audit system of the Company is commensurate with its size and nature of its business.
8. According to information and explanations provided to us, the company is not required to maintain cost record U/s. 209(1)(d) of the Companies Act, 1956.
9. a) According to the information and explanation given to us, and records being made available to us, there have no disputed statutory dues except for income tax for the assessment year 2006-2007 for which appeal has been filed with appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable as at 31st March, 2013 for a period of more than six months from the date of becoming payable.
- b) In our opinion and according to the information and explanations given to us, there is no dues of services tax, wealth tax, and cess which have been not deposited on account of any dispute.
10. The Company has no accumulated losses and has not incurred cash loss during the financial year covered by our audit
11. Based on our audit procedures and according to the information and explanation given to us, we are of the opinion that the Company has not defaulted in repayment of dues to banks.
12. In our opinion and according to the information and explanation given to us, no loans and advances have been granted by the company on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, clause 4(xiii) of the Companies (Auditor's Report) Order 2003 is not applicable to the Company.
14. The Company has maintained proper records of transaction and contracts in respect of trading in securities, debentures and other investments and timely entries have been made therein. All shares, debentures and other investments have been held by the company in its own name.
15. According to information and explanation given to us and to the best of knowledge, the Company has not given guarantees for loans taken by others from banks or financial institutions.
16. In our opinion and according to information and explanation given to us, a company has not received any Term Loan except overdraft facility during the year.
17. According to the information and explanation given to us, and on an overall examination of the Balance Sheet of the Company, we are of the opinion that the Company has not raised funds from Short Term sources and utilized the same towards Long Term investments.
18. During the year, 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.
19. According to information and explanation given to us, the Company has not issued any secured debentures during the year.
20. The Company has not raised any money by way of public issue during the year.
21. In our opinion and according to the information and explanation given to us, no fraud on or by the Company has been noticed or reported during the year that causes the financial statements to be materially misstated.

For **SANJAY RAJA JAIN & CO.**
CHARTERED ACCOUNTANTS
Firm Reg. No. 120132W

SANJAY RAJA JAIN
(PARTNER)
Membership No. 108513

Place : Mumbai.
Date : 30th May 2013

BALANCE SHEET AS AT 31ST MARCH, 2013

(Amounts in ₹)

Particulars	Note No.	As at 31st March, 2013	As at 31st March, 2012
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share Capital	1	4,00,00,000	4,00,00,000
(b) Reserves and Surplus	2	2,10,16,269	1,89,49,187
2 Non-current Liabilities			
(a) Long Term Borrowings	3	8,91,35,961	12,53,84,518
(b) Other Long Term Liabilities	4	3,78,72,514	3,53,14,894
(c) Long Term Provisions	5	10,11,352	7,92,111
3 Current Liabilities			
(a) Short Term Borrowings	6	2,85,11,113	-
(b) Trade Payables	7	6,58,428	6,27,605
(c) Other Current Liabilities	8	35,95,173	67,13,742
(d) Short Term Provisions	9	97,97,349	49,13,405
TOTAL		23,15,98,159	23,26,95,462
II. ASSETS			
1 Non-current Assets			
(a) Fixed assets	10		
(i) Tangible assets		2,79,03,466	3,04,01,125
(ii) Intangible assets		26,131	2,93,912
(iii) Capital work-in-progress		-	7,01,856
(b) Deferred tax assets (net)	11	24,86,813	21,13,666
(c) Long Term Loans and advances	12	6,59,54,349	7,94,01,164
2 Current Assets			
(a) Inventories	13	11,32,80,999	10,04,66,353
(b) Trade receivable	14	44,36,404	27,53,615
(c) Cash and cash equivalents	15	8,37,028	10,91,884
(b) Short-term loans and advances	16	1,66,72,969	1,54,71,887
TOTAL		23,15,98,159	23,26,95,462

The notes form an integral part of these financial statements

As per our report of even date attached

For **Sanjay Raja Jain & Co.**
Chartered Accountants
FRN - 120132W

For and on behalf of the Board.

Sanjay Raja Jain
(Partner)
M.No.108513

Ramprasad Poddar
Chairman

Dinesh Poddar
Managing Director

Place : Mumbai.
Date : 30th May, 2013.

**SWASTI VINAYAKA ART AND
HERITAGE CORPORATION LIMITED**

27th Annual Report 2012-13

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

(Amounts in ₹)

Particulars	Note No.	Year Ended 31st March, 2013	Year Ended 31st March, 2012
1 Revenues from Operations	17	8,40,92,282	9,38,14,527
2 Other Income	18	10,92,628	27,67,464
3 Total Revenue (1+2)		8,51,84,910	9,65,81,991
4 Expenses			
Cost of materials consumed	19	8,62,519	6,92,188
Purchase of stock-in-trade	20	1,81,13,972	1,98,13,802
Manufacturing and operating costs	21	31,74,100	30,75,641
Changes in inventories of finished goods, work-in-progress and stock in trade	22	(86,32,120)	(67,32,617)
Employee benefit expense	23	80,97,348	82,33,943
Finance costs	24	1,53,69,754	1,58,82,520
Depreciation and amortisation expense		51,96,600	60,63,609
Other Expenses	25	2,59,90,116	2,53,09,466
Total Expenses		6,81,72,289	7,23,38,552
5 Profit before tax (3-4)		1,70,12,621	2,42,43,439
6 Tax Expenses			
1. Current income tax		(59,91,000)	(87,27,000)
2. Deferred income tax		3,73,147	6,13,198
3. Tax in respect of earlier years		31,914	(3,891)
7 Profit for the period (5-6)		1,14,26,682	1,61,25,746
8 Earning per equity share of Re.1 each			
1. Basic		0.29	0.40
2. Diluted		0.29	0.40
The notes form an integral part of these financial statements			

As per our report of even date attached

For **Sanjay Raja Jain & Co.**
Chartered Accountants
FRN - 120132W

Sanjay Raja Jain
(Partner)
M.No.108513

Place : Mumbai.
Date : 30th May, 2013.

For and on behalf of the Board.

Ramprasad Poddar
Chairman

Dinesh Poddar
Managing Director

NOTES TO THE FINANCIAL STATEMENTS

(Amounts in ₹)

	As at 31st March, 2013	As at 31st March, 2012
Note 1 - Share Capital		
Authorised		
5,00,00,000 Equity Shares of Re. 1/- each	<u>5,00,00,000</u>	<u>5,00,00,000</u>
Issued		
4,00,00,000 Equity Shares of Re. 1/- each	<u>4,00,00,000</u>	<u>4,00,00,000</u>
Subscribed and Paid up		
4,00,00,000 Equity Shares of Re. 1/- each	<u>4,00,00,000</u>	<u>4,00,00,000</u>
Total	<u>4,00,00,000</u>	<u>4,00,00,000</u>

The Company has only one class of equity shares having a par value of Re.1 per share. Each Shareholder is eligible for one vote per share. The dividend proposed by the Board of Directors is subject to the approval of shareholders.

Details of Shares allotment for the period of preceding five years :

Particulars	Aggregate No. of shares (for last 5 financial years)
Equity Shares allotted as Fully paid up by way of bonus shares of Re.1/- each [F.Y.2008-2009]	1,00,00,000

Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company :

Name of the Shareholder	As at 31st March, 2013		As at 31st March, 2012	
	No. of shares held	% of Holdings	No. of shares held	% of Holdings
Ramprasad Rajesh Kumar Poddar HUF	27,81,400	6.95	27,64,000	6.91
Ramprasad Dinesh Kumar Poddar HUF	25,50,750	6.38	25,35,000	6.34
Ramprasad Poddar and Sons HUF	25,43,300	6.36	25,26,500	6.32
Ramprasad Poddar and Company HUF	24,37,500	6.09	24,23,500	6.06
Dinesh Rajesh Brothers HUF	23,97,650	5.99	23,83,000	5.96
Swasti Vinayaka Investech Private Limited	20,84,000	5.21	23,68,000	5.92

Note 2 - Reserves and Surplus

a. General Reserves

Opening Balance	1,50,00,000	1,00,00,000
Add / (Less) : Transferred (to)/from	50,00,000	50,00,000
Closing Balance	<u>2,00,00,000</u>	<u>1,50,00,000</u>

b. Surplus

Opening Balance	39,49,187	21,36,691
Add : Net Profit for the year	1,14,26,682	1,61,25,746
Transfer from / (to) General Reserves	(50,00,000)	(50,00,000)
Interim Dividend and Dividend Tax Paid	-	(46,64,350)
Proposed Dividend and Dividend Tax thereon*	<u>(93,59,600)</u>	<u>(46,48,900)</u>
Closing Balance	<u>10,16,269</u>	<u>39,49,187</u>
Total	<u>2,10,16,269</u>	<u>1,89,49,187</u>

* Dividend proposed to be distributed to equity shareholders is Re.0.20/- (Previous year Re.0.10 in addition to paid interim dividend Re.0.10) per equity share

NOTES TO THE FINANCIAL STATEMENTS

(Amounts in ₹)

	<u>As at 31st March, 2013</u>	<u>As at 31st March, 2012</u>
Note 3 - Long Term Borrowings		
Secured		
Term Loans		
From Bank and Financial Institution	<u>2,38,85,961</u>	<u>3,83,55,850</u>
Nature of Security		
Secured against property in the name of company; group companies and personal guarantee of Directors.		
Terms of payments		
1 Term Loan amounting to Rs. 14,76,324 (March 31, 2012 : Rs.58,48,292) Repayable in 48 monthly instalment commencing from August 2009, Last instalment due in July 2013. Rate of interest 12.70% p.a. at the end of the year (Previous year 12.90% p.a.)		
2 Term Loan amounting to Rs.65,76,714 (March 31, 2012: Rs.1,10,51,784) Repayable in 50 monthly instalment commencing from June 2010, Last instalment due in July 2014. Rate of interest 12.70% p.a. at the end of the year (Previous year 12.90% p.a.)		
3 Term Loan amounting to Rs. 1,62,67,176 (March 31, 2012 : Rs.1,99,46,835) Repayable in 64 monthly instalment commencing from May 2011, Last instalment due in July 2016 rate of interest 12.75% p.a. at the end of the year (Previous year 12.95% p.a.)		
4 Vehicle Loan amounting to Rs. 5,76,640 (March 31, 2012: Rs.9,16,664) Repayable in 59 monthly instalment commencing from Nov 2009, Last instalment due in Sept 2014. Rate of interest 9.81% p.a. at the end of the year (Previous year 9.81 p.a.)		
5 Vehicle Loan amounting to Rs. 4,65,431 (March 31, 2012: Rs.5,92,276) Repayable in 59 monthly instalment commencing from April 2011, Last instalment due in Feb 2016. Rate of interest 11.57% p.a. at the end of the year (Previous year 11.57% p.a.)		
Unsecured		
Loans and advances from related parties		
Intercorporate Loans (Refer Note 28)	<u>6,52,50,000</u>	<u>8,70,28,668</u>
Total	<u><u>8,91,35,961</u></u>	<u><u>12,53,84,518</u></u>
Note 4 - Other Long Term Liabilities		
Interest free security deposits	<u>3,56,51,141</u>	<u>3,35,75,462</u>
Others	<u>22,22,373</u>	<u>17,39,432</u>
Total	<u><u>3,78,72,514</u></u>	<u><u>3,53,14,894</u></u>
Note 5 - Long Term Provisions		
Provision for Employee benefits	<u>10,11,352</u>	<u>7,92,111</u>
Total	<u><u>10,11,352</u></u>	<u><u>7,92,111</u></u>
Note 6 - Short Term Borrowings		
Secured		
Working Capital loans from banks	<u>2,85,11,113</u>	-
Secured Dropline Overdraft facility from bank secured against receivables/ property in the name of company/group companies and personal guarantee of directors)		
Total	<u><u>2,85,11,113</u></u>	<u><u>-</u></u>
Note 7 - Trade Payables		
Trade Payables	<u>6,58,428</u>	<u>6,27,605</u>
Total	<u><u>6,58,428</u></u>	<u><u>6,27,605</u></u>

NOTES TO THE FINANCIAL STATEMENTS

(Amounts in ₹)

	As at 31st March, 2013	As at 31st March, 2012								
Note 8 - Other Current Liabilities										
Current maturities of long-term debt	15,58,806	49,26,871								
Statutory Dues	4,22,811	4,76,716								
Unclaimed Dividend	6,72,237	5,36,720								
Other Payables	8,88,219	7,47,435								
Advance received against sales	53,100	26,000								
Total	35,95,173	67,13,742								
Note 9 - Short Term Provisions										
Provision for Employee Benefits										
Salary and Bonus payable	3,04,088	2,64,505								
Other Short Term Provisions										
Provision for Taxation (Net of Tax Paid)	1,33,661	-								
Provision for Dividend and Dividend Tax	93,59,600	46,48,900								
Total	94,93,261	46,48,900								
	97,97,349	49,13,405								
Note 10 - Fixed Assets										
PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01/04/2012	Additions	Deductions / Adjustments	As at 31/03/2013	Upto 01/04/2012	For The Year	Deductions / Adjustments	Upto 31/03/2013	As at 31/03/2013	As at 31/03/2012
(i) Tangible Assets										
Computers and Peripherals	11,79,917	36,295	-	12,16,212	10,39,770	67,196	-	11,06,966	1,09,246	1,40,147
Furniture and Fixtures	3,48,03,753	7,36,557	-	3,55,40,311	1,38,56,199	38,86,008	-	1,77,42,207	1,77,98,104	2,09,47,554
Office Equipments	10,51,369	58,307	-	11,09,676	5,01,835	79,924	-	5,81,759	5,27,917	5,49,534
Office Premises	83,22,628	16,00,000	-	99,22,628	14,29,085	4,24,678	-	18,53,763	80,68,865	68,93,543
Plant and Machinery	2,34,615	-	-	2,34,615	1,24,258	15,351	-	1,39,609	95,006	1,10,357
Vehicles	57,58,840	-	-	57,58,840	39,98,850	4,55,662	-	44,54,512	13,04,328	17,59,990
Total	5,13,51,122	24,31,159	-	5,37,82,282	2,09,49,997	49,28,819	-	2,58,78,816	2,79,03,466	3,04,01,125
Previous Year	4,80,73,817	37,24,566	4,47,261	5,13,51,122	1,51,89,780	57,84,216	23,999	2,09,49,997	3,04,01,125	3,28,84,037
(ii) Intangible Assets										
Goodwill	12,51,799	-	-	12,51,799	10,01,439	2,50,360	-	12,51,799	-	2,50,360
Software	3,34,445	-	-	3,34,445	2,90,893	17,421	-	3,08,314	26,131	43,552
Total	15,86,244	-	-	15,86,244	12,92,332	2,67,781	-	15,60,113	26,131	2,93,912
Previous Year	15,86,244	-	-	15,86,244	10,12,939	2,79,393	-	12,92,332	2,93,912	5,73,305
Note 11 - Deferred Tax Assets (net)										
Deferred Tax Asset on account of										
Depreciation								21,58,680		18,56,666
Provision for Gratuity payable to employees								3,28,133		2,57,000
Total								24,86,813		21,13,666

NOTES TO THE FINANCIAL STATEMENTS

(Amounts in ₹)

	<u>As at 31st March, 2013</u>	<u>As at 31st March, 2012</u>
Note 12 - Long Term Loans and advances		
a. Capital Advances	9,00,000	33,32,000
Unsecured, considered good		
b. Security Deposits	6,05,30,000	6,05,30,000
Unsecured, considered good		
c. Long Term Loans and advances to related party	-	1,17,23,283
Unsecured, considered good (refer note 28)		
d. Advance Tax (net of provision for tax)	-	10,07,798
Unsecured, considered good		
e. Other Loans and advances	45,24,349	28,08,083
Unsecured, considered good		
Total	<u>6,59,54,349</u>	<u>7,94,01,164</u>
 Note 13 - Inventories		
a. Stock-in-trade	5,72,10,346	4,84,85,391
b. Raw Material	3,97,41,509	3,55,58,984
c. Work-in-progress	83,77,561	82,20,358
d. Finished Goods	79,51,583	82,01,620
Total	<u>11,32,80,999</u>	<u>10,04,66,353</u>
 Note 14 - Trade Receivables		
Trade Receivables outstanding for a period exceeding six months		
Secured considered goods	17,96,285	4,84,050
Unsecured considered goods	45,000	3,15,000
Trade Receivables outstanding for a period less than six months		
Secured considered goods	18,00,371	16,36,352
Unsecured considered goods	7,94,748	3,18,213
Total	<u>44,36,404</u>	<u>27,53,615</u>
 Note 15 - Cash and Bank balances		
(i) Cash and Cash Equivalents		
a. Balances with banks	1,00,675	3,26,354
b. Cash on hand	64,116	2,28,810
	<u>1,64,791</u>	<u>5,55,164</u>
(ii) Other Bank balances		
Unclaimed Dividend accounts	6,72,237	5,36,720
Total	<u>8,37,028</u>	<u>10,91,884</u>

NOTES TO THE FINANCIAL STATEMENTS

(Amounts in ₹)

	<u>As at 31st March, 2013</u>	<u>As at 31st March, 2012</u>		
Note 16 - Short Term Loans and advances				
a. Loans to employees (unsecured, considered good)	87,000	1,54,638		
b. Prepaid Expenses	5,48,033	1,41,352		
c. Manaharashtra Value Added tax Refund dues	7,36,677	12,17,092		
d. Service Tax Credit receivable	6,835	4,844		
e. Advances given to Creditors for goods	1,47,27,959	1,30,02,131		
f. Advances given to Creditors Expenses and Services	2,54,860	8,90,000		
g. Others	3,11,605	61,830		
Total	<u>1,66,72,969</u>	<u>1,54,71,887</u>		
	<u>Year Ended 31st March, 2013</u>	<u>Year Ended 31st March, 2012</u>		
Note 17 - Revenue from operations				
Sale of products				
(i) Manufactured Goods	55,29,731	55,68,154		
(ii) Stock-in-trade	<u>1,56,99,689</u>	<u>1,89,71,360</u>		
	2,12,29,420	2,45,39,514		
Sale of Service				
Compensation Income	6,28,62,862	6,92,75,013		
Total	<u>8,40,92,282</u>	<u>9,38,14,527</u>		
Note 18 - Other Income				
Sale of products				
Interest Income	10,92,628	27,42,809		
Other operating income	-	<u>24,655</u>		
Total	<u>10,92,628</u>	<u>27,67,464</u>		
Note 19 - Cost of Material Consumed				
Raw material				
Opening Stock	3,55,58,984	2,94,70,951		
Purchases	<u>50,45,044</u>	<u>67,80,222</u>		
	4,06,04,028	3,62,51,173		
Less : Closing Stock	3,97,41,509	3,55,58,984		
Total	<u>8,62,519</u>	<u>6,92,188</u>		
Imported and Indigenous Raw Materials Consumed	Rs.	%	Rs.	%
Imported	3,02,626	35.09	1,41,615	20.46
Indigenous	<u>5,59,893</u>	<u>64.91</u>	<u>5,50,573</u>	<u>79.54</u>
	<u>8,62,519</u>	<u>100.00</u>	<u>6,92,188</u>	<u>100.00</u>
Details of Raw Material Consumed				
Rough Stones [Imported]		3,02,626		1,41,615
Rough Stones [Indigenous]		5,59,893		3,50,755
Others		-		<u>1,99,818</u>
		<u>8,62,519</u>		<u>6,92,188</u>

NOTES TO THE FINANCIAL STATEMENTS

(Amounts in ₹)

	<u>Year Ended 31st March, 2013</u>	<u>Year Ended 31st March, 2012</u>
Note 20 - Purchases of Stock-in-trade		
Diamonds	62,44,596	82,35,622
Gemstones	28,39,059	21,34,046
Paintings	27,78,900	6,00,000
Jewellery	34,70,272	66,81,821
Gemstone Carvings	27,81,145	21,62,313
Total	<u>1,81,13,972</u>	<u>1,98,13,802</u>
Note 21 - Manufacturing and Operating Costs		
Job Work / Making Charges	27,95,503	28,64,497
Other Manufacturing and Operating Expenses	3,78,597	2,11,145
Total	<u>31,74,100</u>	<u>30,75,641</u>
Note 22 - Changes in inventories of finished goods, Work-in-progress and stock in trade		
Opening Stock		
Finished Goods	82,01,620	73,82,051
Work-in-progress	82,20,358	90,89,044
Stock-in-trade	4,84,85,392	4,17,03,658
	<u>6,49,07,370</u>	<u>5,81,74,753</u>
Closing Stock		
Finished Goods	79,51,583	82,01,620
Work-in-progress	83,77,561	82,20,358
Stock-in-trade	5,72,10,346	4,84,85,392
	<u>7,35,39,490</u>	<u>6,49,07,370</u>
Total	<u>(86,32,120)</u>	<u>(67,32,617)</u>
Note 23 - Employee Benefit Expenses		
Salary, Wages, Bonus etc.	74,65,398	76,18,793
Contributions to provident and other funds	1,53,083	1,71,672
Staff Welfare Expenses	4,78,867	4,43,478
	<u>80,97,348</u>	<u>82,33,943</u>
Note 24 - Finance Cost		
Interest expenses	1,50,39,519	1,58,01,084
Other borrowing costs	3,60,907	1,35,863
Foreign Exchange rate difference	(30,672)	(54,427)
	<u>1,53,69,754</u>	<u>1,58,82,520</u>

NOTES TO THE FINANCIAL STATEMENTS

(Amounts in ₹)

	<u>Year Ended 31st March, 2013</u>	<u>Year Ended 31st March, 2012</u>
Note 25 - Other Expenses		
Advertising and Publicity Expenses	24,29,775	21,82,772
Auditors' Remuneration and Expenses	60,000	60,000
Commission and Brokerage	16,21,484	12,84,737
Compensation Expenses	53,22,126	52,12,037
Conveyance Expenses	7,70,837	7,82,435
Donation	6,00,000	6,00,000
Insurance Premium	18,44,498	21,90,231
Legal and Professional Charges	37,35,722	21,51,347
Membership and Subscription	1,57,955	1,39,573
Postage Telephone and Internet Expenses	3,02,970	3,28,880
Power and Fuel	6,48,586	6,11,761
Printing and Stationery	4,52,227	5,79,172
Rates and Taxes	13,61,509	13,90,188
Repairs and Maintenance Expenses	9,91,628	8,04,083
Sales Promotion Expenses	19,35,685	24,46,772
Security Charges	5,68,458	5,69,303
Service Charges	9,82,188	9,98,584
Stamp Duty and Registration Charges	6,12,100	2,14,110
Transportation Expenses	2,83,522	5,03,044
Travelling Expenses	11,87,735	16,45,934
Miscellaneous Expenses	1,21,111	6,14,503
Total	<u>2,59,90,116</u>	<u>2,53,09,466</u>
Note 26 - Foreign Exchange Earnings and Outgo		
Total Foreign Exchange Earned		
Export	14,66,740	8,70,065
Expenditure in Foreign Currency		
Foreign Travel	6,32,478	6,79,130
Import of goods	26,05,689	24,82,249
Note 27 - Payments to Auditor		
Statutory Audit Fees	55,000	55,000
Taxation Matters	5,000	5,000
Total	<u>60,000</u>	<u>60,000</u>

**SWASTI VINAYAKA ART AND
HERITAGE CORPORATION LIMITED**

27th Annual Report 2012-13

NOTES TO THE FINANCIAL STATEMENTS

(Amounts in ₹)

28. Related parties disclosures :						
Particulars	Key Managerial Persons		Relative of key Managerial Person		Companies/Firms Controlled by Key Managerial Persons/ Relatives	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Purchase of Goods	-	-	-	-	2,26,936	1,21,500
Sales of Goods	-	-	32,040	45,500	5,28,000	1,27,350
Remuneration and Other Benefits	16,51,868	26,38,087	-	-	-	-
Loan Taken	-	-	-	-	5,32,30,000	7,24,00,409
Repayment of Loan taken	-	-	-	-	7,42,15,000	6,85,90,997
Loan Given	-	-	-	-	31,00,000	3,96,00,000
Repayment of Loan given	-	-	-	-	1,47,00,000	3,53,00,000
Interest Paid	-	-	-	-	98,16,945	99,14,063
Interest Received	-	-	-	-	4,51,866	16,96,054
Compensation Paid (Incl. of tax)	-	-	-	-	58,50,072	56,74,044
Donation	-	-	-	-	6,00,000	6,00,000
Deposits /Advance given	-	-	-	-	17,12,666	17,81,641
Outstanding Balance as on 31/03/2013						
Loans and advances Taken	-	-	-	-	6,52,50,000	8,62,35,000
Loans Given	-	-	-	-	-	1,16,00,000
Interest on Loan Receivable	-	-	-	-	-	1,23,283
Interest on Loan Payable	-	-	-	-	-	7,93,668
Warehouse/Security/other Deposit Given	-	-	-	-	1,27,24,307	1,10,11,641
a) Key Managerial Persons:				Dinesh Poddar Ramprasad Poddar		
b) Relatives of Key Managerial Persons:				Deepak Harlalka		
c) Companies/ Firms over which the Key Managerial Persons/ Relatives have significant influence or control:				Ashirwad Capital Limited Ashirwad Shelters Private Limited Fatehpur Welfare Trust Ma Passion (India) Private Limited Swasti Vinayaka Investech Private Limited Swasti Vinayaka Realestate Development Private Limited Swasti Vinayaka Synthetics Limited		
Note : No amount have been written off/provided for or written back during the year in respect of debts due from or to related parties.						

NOTES TO THE FINANCIAL STATEMENTS

(Amounts in ₹)

29. Business Segment Information :						
Particulars	Compensation from sub-lease property		Sale of Goods		Total	
	Year Ended		Year Ended		Year Ended	
	2013	2012	2013	2012	2013	2012
Segment Revenue						
External Sales/Income	6,28,62,862	6,92,75,013	2,12,29,420	2,45,39,514	8,40,92,282	9,38,14,527
Inter-segment transfer	-	-	-	-	-	-
<u>Unallocated Revenue</u>						
Other Income-Misc. Income	-	-	-	-	-	24,655
Interest Income	-	-	-	-	10,92,628	27,42,809
Total Revenue	6,28,62,862	6,92,75,013	2,12,29,420	2,45,39,514	8,51,84,910	9,65,81,991
Segment result	5,58,54,100	6,24,94,630	40,93,439	38,61,794	6,10,40,167	6,91,23,888
Unallocated Expenses	-	-	-	-	2,89,88,027	2,90,79,365
Operating profit	5,58,54,100	6,24,94,630	40,93,439	38,61,794	3,20,52,140	4,00,44,523
Less : Unallocated Interest	-	-	-	-	1,50,39,519	1,58,01,084
Profit before tax	5,58,54,100	6,24,94,630	40,93,439	38,61,794	1,70,12,621	2,42,43,439
<u>Income Tax</u>						
Current	-	-	-	-	(59,91,000)	(87,27,000)
Deferred	-	-	-	-	3,73,147	6,13,198
Tax in respect of earlier years	-	-	-	-	31,914	(3,891)
Net Profit	-	-	-	-	1,14,26,682	1,61,25,746
Other Information						
Segment Assets	1,25,03,490	1,11,24,946	19,71,06,351	18,48,90,780	20,96,09,841	19,60,15,726
Common Assets	-	-	-	-	2,19,88,318	3,66,79,736
Total Assets	-	-	-	-	23,15,98,159	23,26,95,462
Segment Liabilities	3,58,40,033	3,37,64,354	4,91,813	4,64,713	3,63,31,846	3,42,29,067
Common Liabilities	-	-	-	-	13,42,50,044	13,95,17,208
Total Liabilities	-	-	-	-	17,05,81,890	17,37,46,275
Capital Expenditure	3,17,469	99,700	20,19,089	39,49,728	23,36,558	40,49,428
Unallocated Capital Expenditure	-	-	-	-	94,602	1,01,994
Depreciation	-	-	-	-	51,96,600	60,63,609

30. Previous year figures have been reclassified to conform to this year's classification.

31. Significant accounting policies and practices adopted by the Company are disclosed in the statement annexed to these financial statements as Annexure I.

As per our report of even date attached

For and on behalf of the Board.

For **Sanjay Raja Jain & Co.**

Chartered Accountants

FRN - 120132W

Sanjay Raja Jain

(Partner)

M.No.108513

Ramprasad Poddar

Chairman

Dinesh Poddar

Managing Director

Place : Mumbai.

Date : 30th May, 2013.

ANNEXURE I

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES

(annexed to and forming part of the financial statements for the year ended 31st March, 2013)

I. BASIS OF ACCOUNTING :

The accounts are maintained under the Historical cost convention on accrual basis as a going concern and comply with the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India.

II. INCOME RECOGNITION :

In respect of other income accrual basis of accounting of such income is followed.

III. FIXED ASSETS & DEPRECIATION /AMORTISATION :

a. Fixed Assets are stated at cost less accumulated depreciation.

b. Depreciation on Fixed Assets is provided as per written down value method at the rates specified in schedule XIV to the Companies Act, 1956.

c. Goodwill is amortised over a period of five years.

IV. VALUATION OF INVENTORIES :

Inventories are valued at cost or market value whichever is less.

V. RETIREMENT BENEFITS :

a) Contribution to Provident and Leave Encashment are charged to Profit & Loss Account every year at actual.

b) Liability for gratuity is accounted on estimated basis.

VI. IMPAIRMENT :

The management periodically assesses using internal sources whether there is any indication that an asset may be impaired. If an asset is impaired, the group recognizes an impairment loss as the excess of the carrying amount of the asset over the recoverable amount.

VII. TAXATION :

Income Tax Expense comprises of current tax (i.e. amount of tax for the period determined in accordance with the income tax law), deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period) and Fringe Benefit Tax . The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been substantially enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carried forward loss under taxation law, deferred tax assets are recognized only if there is a virtual certainty of realization of such assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realised.

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

(Amounts in ₹)

	Year Ended 31st March, 2013	Year Ended 31st March, 2012
A. Cash Flow from Operating Activities		
Net Profit /Loss Before Tax and Extra Ordinary items	1,70,12,621	2,42,43,439
Add / (Deduct) :		
Depreciation and Amortisation Exps.	51,96,600	60,63,609
Finance changes and (Gain)/Loss on variation in Foreign Exchange rates	1,53,69,754	1,58,82,520
(Profit) /Loss on Sale of Fixed Asset	-	(6,055)
Interest Received	(10,92,628)	(27,42,809)
Operating Cash Profit Before Working Capital Changes	3,64,86,347	4,34,40,704
Add/Deduct :		
(Increase)/Decrease in Trade and Other receivable	(16,82,789)	5,07,945
(Increase)/Decrease in Inventories	(1,28,14,646)	(1,28,20,649)
(Increase)/Decrease in Short terms Loans and Advances	(12,01,082)	(16,61,842)
(Increase)/Decrease in Long Term Loan /Advances Deposits	1,24,39,017	(1,28,09,537)
Increase/(Decrease) in Trade and Other Payables	2,82,39,811	45,96,084
	6,14,66,659	2,12,52,705
Income Tax (Paid) /Refunds received	(48,17,627)	(7,22,341)
Net Cash Generated from Operating Activities	5,66,49,032	2,05,30,364
B. Cash Flow from Investing Activities :		
Purchase of Fixed Assets-Work in Progress	(17,29,304)	(7,15,850)
Sale of Fixed Assets	-	18,667
Interest Received	10,92,628	27,42,809
Net Cash (used in) / Investing Activities	(6,36,676)	20,45,626
C. Cash Flow from Financing Activities :		
Increase / (Decrease) in Secured loans	(1,44,69,889)	(2,35,07,723)
Increase / (Decrease) in Unsecured Loan	(2,17,78,668)	3,07,53,668
Interest Paid	(1,53,69,754)	(1,58,82,520)
Dividend Paid	(40,00,000)	(1,20,00,000)
Dividend Tax Paid	(6,48,900)	(19,93,050)
Cash Generated from Financing Activities	(5,62,67,211)	(2,26,29,625)
Net Cash Generated/(Used) in Operating, Investing and Financing Activities	(2,54,856)	(53,635)
Cash and Cash Equivalents at the beginning of the Year	10,91,884	11,45,519
Cash and Cash Equivalents at the end of the year	8,37,028	10,91,884

For and on behalf of the Board.

Place : Mumbai
Dated : 30th May, 2013

Ramprasad Poddar
Chairman

Dinesh Poddar
Managing Director

AUDITORS' CERTIFICATE

We have verified the above Cash Flow of Swasti Vinayaka Art and Heritage Corporation Limited, derived from the Audited Financial Statement and the books and records maintained by the company for the year ended on 31st March, 2013 and 31st March 2012 and found the same to be drawn in accordance therewith.

Place : Mumbai
Dated : 30th May, 2013

For **Sanjay Raja Jain & Co.**
Chartered Accountants
FRN-120132W

Sanjay Raja Jain
(Partner)
M.No.108513

**SWASTI VINAYAKA ART AND
HERITAGE CORPORATION LIMITED**

27th Annual Report 2012-13

SWASTI VINAYAKA ART AND HERITAGE CORPORATION LIMITED

Regd. Off. : 303, Tantia Jogani Industrial Estate, J. R. Boricha Marg, Lower Parel, Mumbai 400 011.

ATTENDANCE SLIP

(TO BE SURRENDERED AT THE TIME OF ENTRY)

Folio No./Client ID : _____ No. of Shares : _____

Name of Member/Proxy : _____

I hereby record my presence at the 27th Annual General Meeting of the Company on Saturday, 27th July, 2013 at 11:30 a.m. at SACHIVALAYA GYMKHANA, 6, General Jagannathrao Bhosale Marg, Opp. Mantralaya, Mumbai – 400 032 and at any adjournment thereof.

Member's / Proxy's Signature

NOTES:

- Members are requested to produce the above attendance slip, duly signed in accordance with their specimen signature registered with the Company, for admission to the meeting.
- Members are informed that no duplicate attendance slip will be issued at the hall.

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SWASTI VINAYAKA ART AND HERITAGE CORPORATION LIMITED

Regd. Off. : 303, Tantia Jogani Industrial Estate, J. R. Boricha Marg, Lower Parel, Mumbai 400 011.

FORM OF PROXY

I/We _____ of _____

being member(s) of SWASTI VINAYAKAART AND HERITAGE CORPORATION LIMITED hereby appoint _____

of _____ or failing him / her _____ of _____ or

failing him / her _____ of _____ as

my / our proxy to attend and vote for me / us on my / our behalf at the at the 27th Annual General Meeting of the Company on Saturday, 27th July, 2013 at 11:30 a.m. at SACHIVALAYA GYMKHANA, 6, General Jagannathrao Bhosale Marg, Opp. Mantralaya, Mumbai – 400 032 and at any adjournment thereof.

Signed this _____ day of _____ 2013.

Folio No. / Client ID _____

No. of Share(s) : _____

Name : _____

Address : _____

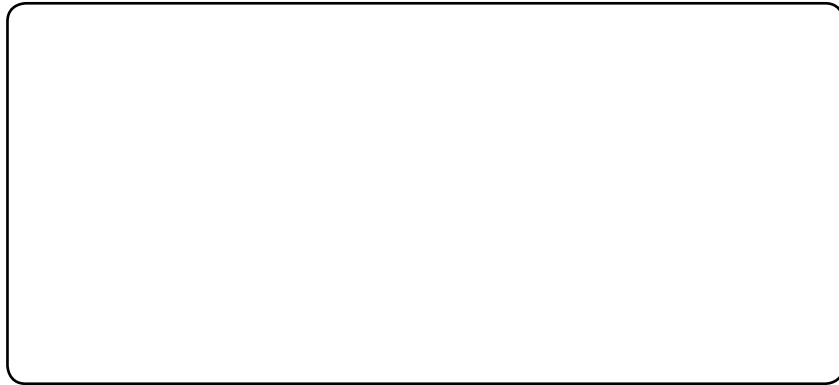
Signature(s) _____

1 Rupee
Revenue
Stamp

Note : The Form of Proxy should be deposited at the Regd. Office of the Company not less than 48 hours before the time of holding the meeting.

Book Post

To,



**SWASTI VINAYAKA ART AND
HERITAGE CORPORATION LIMITED**

If undelivered, please return to :

Swasti Vinayaka Art And Heritage Corporation Limited
303, Tantia Jogani Industrial Estate, J. R. Boricha Marg, Lower Parel, Mumbai – 400 011.
Tel: +91 (22) 4344 3555 Fax: +91(22) 2307 1511

Web : www.mapassion.co.in

FORM A

1	Name of the Company:	Swasti Vinayaka Art and Heritage Corporation Ltd.
2	Annual financial statements for the year ended	31st March,2013
3	Type of Audit observation	Un-qualified
4	Frequency of observation	<i>Whether appeared first time / repetitive / since how long period N.A</i>
5	<p>To be signed by-</p> <p>Mr.Nagabhushan T.Hegde CEO</p> <p>Mr.Sunil B.Bhiwandkar CFO</p> <p>Sanjay Raja Jain & Co. Auditor of the company</p> <p>Mr.Piyush Shah Audit Committee Chairman</p>	<p>Signature(s)</p> <p>FOR SWASTI VINAYAKA ART AND HERITAGE CORPORATION LTD</p> <p><i>[Signature]</i> Director/Authorised Signatory</p> <p>FOR SWASTI VINAYAKA ART AND HERITAGE CORPORATION LTD</p> <p><i>S B Bhiwandkar</i> Director/Authorised Signatory</p> <p>For SANJAY RAJA JAIN & CO.</p> <p><i>[Signature]</i> Partner</p> <p>FOR SWASTI VINAYAKA ART AND HERITAGE CORPORATION LTD</p> <p><i>[Signature]</i> Director/Authorised Signatory</p>