

# **SUBWAY FINANCE AND INVESTMENT CO LIMITED**

108 Arihant 1st Floor Ahmedabad Street, Carnac Bunder, Mumbai- 400009

## **ANNUAL GENERAL MEETING**

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting (AGM) of the Company will be held on Thursday, 29<sup>th</sup> September, 2011 at the Registered Office of the Company at 108, Arihant, 1<sup>st</sup> Floor, Ahmedabad Street, Carnac Bunder, Mumbai-400009 to transact the following business:

### **Ordinary Business:**

1. To consider and adopt, the Audited Profit and Loss Account of the Company for the year ended 31<sup>st</sup> March, 2011 and the Balance Sheet as at that date and the reports of the Directors and Auditors thereon.
2. To re-appoint Mr. Govindan Puthiya Manayamkuth who is liable to retire by rotation.
3. To appoint M/s. N.B. Parekh & Associates, Chartered Accountants, Mumbai, as Auditors of the Company, in place of M/s. J.S. Bhatia & Co., being retiring Auditors of the Company to hold office from the conclusion of this meeting to the conclusion of the next Annual General Meeting at a remuneration to be mutually decided between them and the Board of Directors.

### **Special Business:**

4. **To re-appoint Mr. Amulakh Bhupatray Mehta as Director liable to retire by rotation:**

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

### **ORDINARY RESOLUTION:**

"RESOLVED THAT Mr. Amulakh Bhupatray Mehta, who was appointed as an Additional Director of the Company by the Board of Directors and who holds office under Section 260 of the Companies Act, 1956, (the Act) upto this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 257 of the Act proposing his candidature for the office of director, be and is hereby appointed as a director of the company, who will be liable to retire by rotation."



5. To re-appoint Mr. Jayesh Amulakh Mehta as Director liable to retire by rotation:

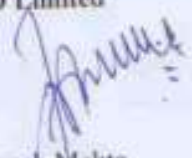
To consider, and if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:

ORDINARY RESOLUTION:

"RESOLVED THAT Mr. Jayesh Amulakh Mehta, who was appointed as an Additional Director of the Company by the Board of Directors and who holds office under Section 260 of the Companies Act, 1956, (the Act) upto this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 257 of the Act proposing his candidature for the office of director, be and is hereby appointed as a director of the company, who will be liable to retire by rotation."

Date: 29<sup>th</sup> August, 2011  
Place: Mumbai

For SUBWAY FINANCE AND INVESTMENT  
CO Limited

  
Jayesh Mehta  
Director



# **SUBWAY FINANCE AND INVESTMENT CO LIMITED**

108 Arihant 1st Floor Ahmedabad Street, Carnac Bunder, Mumbai- 400009

## **Notes:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A BLANK FORM OF PROXY IS ENCLOSED AND IF INTENDED TO BE USED, IT SHOULD BE RETURNED TO THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE AGM DULY COMPLETED.
2. CORPORATE MEMBERS INTENDING TO SEND THEIR AUTHORIZED REPRESENTATIVE TO ATTEND AND VOTE AT THE MEETING ARE REQUESTED TO ENSURE THAT THE AUTHORIZED REPRESENTATIVE CARRIES A DULY CERTIFIED TRUE COPY OF THE BOARD RESOLUTION, POWER OF ATTORNEY OR SUCH OTHER VALID AUTHORIZATIONS UNDER SECTION 187 OF THE {INDIAN} COMPANIES ACT, 1956, AUTHORIZING THEM TO ATTEND AND VOTE AT THE MEETING. IN TERMS OF THE PROVISIONS OF THE COMPANIES ACT, 1956, THE REPRESENTATIVES OF CORPORATE MEMBERS WITHOUT PROPER AUTHORIZATION, SUCH AS BOARD RESOLUTION OR POWER OF ATTORNEY OR SUCH OTHER VALID AUTHORIZATION, MAY NOT BE ABLE TO ATTEND THE MEETING.
3. EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956 IN RESPECT OF ITEM NO. 4 AND 5 IS ANNEXED.
4. THE REGISTER OF MEMBERS AND SHARE TRANSFER BOOKS WILL REMAIN CLOSED FROM MONDAY, SEPTEMBER 26, 2011 TO WEDNESDAY, SEPTEMBER 28, 2011 (BOTH DAYS INCLUSIVE)



# **SUBWAY FINANCE AND INVESTMENT CO LIMITED**

108 Arihant 1st Floor Ahmedabad Street, Carnac Bunder, Mumbai-400009

## **EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956**

### **Item No. 4**

Mr. Amulakh Bhupatray Mehta was appointed as an additional director by the Board of Directors at its meeting held on April 18, 2011. According to the provisions of Section 260 of the Act, he holds office up to the date of the forthcoming Annual General meeting. As required by Section 257 of the Act, a notice has been received for candidature of his appointment as a Director liable to retire by rotation.

None of the Directors of the Company, other than Mr. Amulakh Bhupatray Mehta and Mr. Jayesh Amulakh Mehta are interested or concerned in the resolution.

The Board recommends the resolution set forth in Item no. 4 for the approval of the members.

### **Item No. 5**

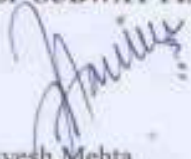
Mr. Jayesh Amulakh Mehta was appointed as an additional director by the Board of Directors at its meeting held on April 18, 2011. According to the provisions of Section 260 of the Act, he holds office up to the date of the forthcoming Annual General meeting. As required by Section 257 of the Act, a notice has been received for candidature of his appointment as a Director liable to retire by rotation.

None of the Directors of the Company, other than Mr. Jayesh Amulakh Mehta and Mr. Amulakh Bhupatray Mehta are interested or concerned in the resolution.

The Board recommends the resolution set forth in Item no. 5 for the approval of the members.

**Date: 29<sup>th</sup> August, 2011**  
**Place: Mumbai**

**For SUBWAY FINANCE AND INVESTMENT CO Limited**

  
Jayesh Mehta  
Director



### AUDITOR'S REPORT

We have audited the attached Balance Sheet of M/S SUBWAY FINANCE & INVESTMENT CO. LTD., as on 31<sup>st</sup> March 2011 and also the Profit & Loss Account for the year ended on that date and cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit also includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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 Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.

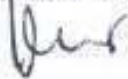
Further to our comments in the Annexure referred to above, we report that :

- i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
- ii) 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.
- iii) The Balance Sheet, Profit & Loss Account dealt with by this report are in agreement with the books of accounts.
- iv) In our opinion, the Balance Sheet, Profit & Loss Account 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.
- v) On the basis of written representations received from the directors as on March 31, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.



- vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and 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 31<sup>st</sup> March, 2011.
  - b) In the case of Profit & Loss Account, of the Profit for the year ended on that date.
  - c) In case of Cash Flow statement, of the cash flows for the year ended on that date.

For J. S. BHATIA & CO.,  
CHARTERED ACCOUNTANTS



J. S. BHATIA

PLACE : MUMBAI  
DATE : 05-05-2011



Annexure to the auditors report of even date to the members of M/S SUBWAY FINANCE & INVESTMENT CO. LTD.

- i) a) The Company has maintained proper records showing full particulars, including quantitative details and the situation of its fixed assets.
- b) All fixed assets are physically verified by the management during the year. In our opinion, the frequency of verification of the fixed assets by the management is reasonable having regard to the size of the Company and the nature of its assets. There were no discrepancies noticed during the physical verification conducted by management.
- c) In our opinion, the company has not disposed off a substantial part of its fixed assets during the year and the going concern status of the company is not affected.
- ii) Since the company is finance company, the requirements of clause (ii)(a), (ii)(b) and (ii)(c) of the order is not applicable.
- iii) During the year, the company has not granted any loans to parties listed in the register maintained under section 301 of the Companies Act, 1956.
- iv) Since the company did not deal in goods or merchandise, the requirements in clause (iv) of the order to internal control procedure on purchase of inventory, fixed assets and sale of goods is not applicable.
- v) Based on the audit procedures applied by us and according to the information and explanation provided by the management, we are of the opinion that there were no transactions entered into by the company that need to be entered into the register maintained u/s 301 of the Act. Accordingly, clause (v)(b) of the Order is not applicable.
- vi) The company has not accepted any deposits from the public during the year.
- vii) The company has a system of internal audit which, in our opinion, is commensurate with its size and nature of its business.
- viii) The company is not required to maintain cost records pursuant to the rules made by the Central Government under section 209(1)(d) of the Companies Act, 1956.
- ix) According to the records, information and explanations provided to us, the company is generally regular in depositing with appropriate authorities undisputed amount of provident fund, sales tax, employee's state insurance, income tax and other statutory dues applicable to it and no undisputed amounts payable were outstanding as at 31<sup>st</sup> March, 2008 for a period of more than six months from the date they became payable.



**J. S. BHATIA & CO.**  
**CHARTERED ACCOUNTANTS**

- x) The company neither has accumulated losses nor it has incurred any cash losses during the current financial year and the immediately preceding financial year.
- xi) Based on our procedures and on the information and explanations given by the management, the company has not availed and funds / facilities from the financial institution or bank.
- xii) Based on our examination and according to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) The company is not a chit / nidhi / mutual benefit fund/ society and clause (xiii) of the order is not applicable.
- xiv) In our opinion and according to the information and explanations given to us, proper records have been maintained of the transactions and contracts relating to dealing in shares, securities and debentures and timely entries have been made in such records. All the investments are in the name of the company.
- xv) On the basis of the information and explanations given to us the Company has not given any guarantee for loans taken by others from bank or financial institution.
- xvi) There was no term loan availed by the company and outstanding during the year.
- xvii) On the basis of our examination of the books of accounts and the information and explanations given to us, in our opinion, the funds raised on short-term basis have not been used for long term investment and vice versa.
- xviii) During the year, 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.
- xix) The company did not have any outstanding debentures during the year.
- xx) The company has not raised any money by way of public issues during the year.
- xxi) Based on the audit procedure performed and information and explanations given to us by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

For J. S. BHATIA & CO.,  
CHARTERED ACCOUNTANTS.



*[Signature]*  
J. S. BHATIA  
PROPRIETOR

PLACE : MUMBAI  
DATE : 05/05/2011



**SUBWAY FINANCE & INVESTMENT CO LTD**  
**BALANCE SHEET AS ON 31ST MARCH 2011**

	SCH. No.	AS AT 31.3.2011	AS AT 31.3.2010
Rs			
<b>I. SOURCES OF FUNDS</b>			
1			
a) Shareholders Funds	A	11,025,000.00	11,025,000.00
b) Capital	B	6,883,324.44	6,293,923.44
Reserves & Surplus:			
2			
a) Loan Funds:			76,896.00
Unsecured Loans (Intercompany Deposit)	B1	-	
3		128.00	212.00
Deferred Tax Liability			
<b>TOTAL FUNDS EMPLOYED</b>		<u>17,908,452.44</u>	<u>17,396,031.44</u>
<b>II. APPLICATIONS OF FUND</b>			
1	C	42,000.00	42,000.00
Fixed Assets			
Gross Block		41,578.00	41,296.00
Less - Depreciation		422.00	704.00
Net Block:			
2	D	2,629,184.00	71,684.00
Investments			
3	E	50,607.44	10,031,107.44
Net Current Assets			
Current Assets			
Loans & Advances	F	16,189,929.00	8,413,639.00
Current Assets & Loans & Advances		16,695,996.44	18,444,746.44
Less: Current Liabilities & Provisions	G	1,417,150.00	1,121,103.00
Net Current Assets		15,278,846.44	17,323,643.44
Miscellaneous Expenditure			
Bonus Shares Expenses			
<b>TOTAL FUNDS APPLIED</b>		<u>17,908,452.44</u>	<u>17,396,031.44</u>

NOTES ON ACCOUNTS:

AS PER OUT ATTACHED REPORT OF EVEN DATE

FOR J.S BHATIA & CO  
 CHARTERED ACCOUNTANT

J.S BHATIA  
 PROPRIETOR

PLACE: MUMBAI  
 DATED: 05th May 2011



FOR AND ON BEHALF OF THE BOARD

U R AGARWAL

P. M. GOVINDAN  
 DIRECTORS

PLACE: MUMBAI  
 DATED: 05th May 2011

**SUBWAY FINANCE & INVESTMENT CO LTD**  
**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011**

	SCH. No.	AS AT 31.03.2011	AS AT 31.3.2010
<b>INCOME:</b>			
Interest Received	SCH H	1,083,068.00	1,171,130.00
Misc. Income		-	-
Profit/Loss On Sale of Shares		-	-
		<u>1,083,068.00</u>	<u>1,171,130.00</u>
<b>EXPENDITURE:</b>			
Administration & Other Exp	J	219,318.00	231,182.00
Depreciation		282.00	469.00
Interest Paid	K	3,844.00	72,601.00
		<u>223,444.00</u>	<u>304,252.00</u>
Profit Before Tax		859,624.00	866,878.00
Less: Provision of Taxation			
Current Tax			
Deferred Tax		(270,307.00)	(265,246.00)
Profit After Tax		84.00	136.00
Excess/ (short) Provision for Tax		589,401.00	601,768.00
Balance carried forward to Balance Sheet		<u>589,401.00</u>	<u>601,768.00</u>
Earning Per Share			
Basic & Diluted		0.53	0.55
Face Value per Share		Rs.10	Rs.10

NOTES ON ACCOUNTS  
AS PER OUT ATTACHED REPORT OF EVEN DATE

FOR J.S BHATIA & CO  
CHARTERED ACCOUNTANT

J.S BHATIA  
PROPRIETOR

PLACE : MUMBAI  
DATED : 05th May 2011



FOR AND ON BEHALF OF THE BOARD  
U.R. AGARWAL

P. M. GOVINDAN  
DIRECTORS

PLACE : MUMBAI  
DATED : 05th May 2011

**SUBWAY FINANCE & INVESTMENT CO LTD**

**SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS AS AT 31.03.2011**

	31.03.2011	31.03.2010
<b>SCHEDULE A</b>		
<b>Share Capital</b>		
Authorised 11,50,000 Equity Shares of Rs. 10/- each)	1,15,00,000.00	1,15,00,000.00
	1,15,00,000.00	11,50,00,000.00
Issued, Subscribed & Paid up 11,02,500 Equity Shares of Rs. 10/- each)	11,10,25,000	11,02,50,000
	1,10,25,000	11,02,50,000.00

<b>SCHEDULE B:</b> Reserve & Surplus	Opening	Addition	Deduction	Closing Balance
General Reserve (Previous Year)	925,000.00 (925,000.00)	-	-	925,000.00 (925,000.00)
Statutory Reserve (Previous Year)	947,000.00 (947,000.00)	-	-	947,000.00 (947,000.00)
Profit & Loss A/c (Previous Year)	4,421,923.44 (3,820,155.44)	589,401.00 (601,768.00)	-	5,011,324.44 (4,421,923.44)
<b>Total</b> (Previous Year)	<b>4,293,923.44</b> (5,692,155.44)	<b>589,401.00</b> (601,768.00)	-	<b>6,883,324.44</b> (6,293,923.44)

<b>SCHEDULE B1</b> Unsecured Loans: Jeet Machine Tools Ltd (Intercompany Deposit)	-	76,896.00
	-	<b>76,896.00</b>

<b>SCHEDULE E</b> Current Assets: Cash in Hand	1,659.61	1,659.61
Bank Balance (with Schedule Bank)	50,44,077.83	10,02,94,47.83
	<b>50,46,737.44</b>	<b>10,03,10,417.44</b>



**SCHEDULE - D****Investments (At cost)**

Long Term Investments other than Trade Investments:

<u>NAME OF SCRIIP</u>	<u>NO.OF SHARES/ DEBENTURE (PREV.YR.)</u>	<u>FACE VALUE</u>	<u>AS AT 31.3.11 Rs</u>	<u>AS AT 31.3.10 Rs</u>
<b>1. IN SHARES AND DEBENTURES :-</b>				
<b>A. IN FULLY PAID UP EQUITY SHARES: (QUOTED)</b>				
Jeet Machine Tools Ltd	176000	10	60,634.00	60,634.00
Western India Inds Ltd	150	10	9,000.00	9,000.00
<b>B. IN FULLY PAID UP EQUITY SHARES: (UNQUOTED)</b>				
Dynamatic Forgings (I) Ltd	100	10	950.00	950.00
<b>C. IN FULLY PAID UP DEBENTURES: (QUOTED)</b>				
Andhra Cement Co Ltd (13.50% NCD)	10	110	1,100.00	1,100.00
<b>2. FDR WITH UNITED SPIRITS LTD</b>			2,557,500.00	-
<b>i. Aggregate Cost of Investments in Shares &amp; Debentures</b>			<b>71,684.00</b>	<b>71,684.00</b>
Aggregate Cost of Quoted Investments	At Cost		70,734.00	70,734.00
Aggregate Cost of Unquoted Investments	At Cost		950.00	950.00
<b>Aggregate Market Value of Quoted Shares/ Debentures</b>			<b>119,680.00</b>	<b>14,960.00</b>



**SUBWAY FINANCE & INVESTMENT CO LTD**

**SCHEDULE - C  
FIXED ASSETS**

ASSETS	GROSS BLOCK		DEPRECIATION		NET BLOCK	
	As on 1.4.10	Addition Deduction	As on 01.4.10	For the Year	As on 31.3.11	As on 31.3.10
Computer	42,000.00	-	41,296.00	282.00	41,578.00	704.00
<b>TOTAL</b>	<b>42,000.00</b>	<b>-</b>	<b>41,296.00</b>	<b>282.00</b>	<b>41,578.00</b>	<b>704.00</b>
<b>PREVIOUS YEAR</b>	<b>42,000.00</b>	<b>-</b>	<b>40,827.00</b>	<b>469.00</b>	<b>41,296.00</b>	<b>1,173.00</b>



**SCHEDULE F**  
**Loans & Advances**

(Considered Good & Unsecured)

Quality Machine Tools	7,523,459.00	6,902,259.00
Deposits	3,400.00	3,400.00
Income Tax Paid	1,790,504.00	1,356,041.00
Rathi & Associates	100,000.00	100,000.00
Batala Bombay Roadlines (Truck Income)	46,500.00	46,500.00
Darashaw Ltd.	5,439.00	5,439.00
Radhika Metalks Pvt Ltd	4,100,000.00	-
Jeet Machine Tools Ltd	2,620,627.00	-
	<b>16,189,929.00</b>	<b>8,413,639.00</b>

**SCHEDULE G**  
**Current Liabilities & Provisions**

Other Liabilities	53,097	27,357.00
Provision for Taxation	1,364,053.00	1,093,746.00
	<b>1,417,150.00</b>	<b>1,121,103.00</b>

**SCHEDULE H**  
**Interest Received**

On Loans (Gross)	8,02,854.00	1,171,130.00
Bank & Others	2,80,214.00	-
	<b>1,083,068.00</b>	<b>1,171,130.00</b>

**SCHEDULE J**  
**Administration & Other Expenses**

Advertisement Exp	34270.00	38,020.00
Salary & Other Benefits	13000.00	13,000.00
Legal Fees	0.00	1,200.00
Payment to Auditors	17097.00	17,097.00
Professional Charges	71695.00	66,180.00
Directors Remuneration	27000.00	20,250.00
Interest Paid on Income Tax	14885.00	-
Interest Paid on TDS	-	36,027.00
Listing Fees	24266.00	24,966.00
Printing & Stationary	505.00	320.00
Office Rent	6000.00	6,000.00
Miscellaneous Expenses	10600.00	8,121.00
	<b>219318.00</b>	<b>231,181.00</b>

**SCHEDULE K**  
**Interest Paid**  
Interest Paid to Others



	3844	72,601.00
	<b>3,844.00</b>	<b>72,601.00</b>

**SUBWAY FINANCE & INVESTMENT CO. LTD.**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011**

	Amount in Rupees	
	31/03/2011	31/03/2010
<b>I CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax & Extraordinary items	859,624.00	866,878.00
<b>Add / (Less) : Adjustments for</b>		
Depreciation	282.00	469.00
(Profit) / Loss on Sale of Investment	-	-
Miscellaneous Expenses W\off	-	-
Demat & Brokerage charges	-	-
Increase / (Decrease) in Trade & Other Payable	296,047.00	(1,408,960.00)
Direct taxes paid	(270,307.00)	(265,246.00)
Interest Received	(1,083,068.00)	(1,171,130.00)
(Increase)/ Decrease in Trade & Other Receivable	(5,155,663.00)	12,378,382.00
<b>CASH FLOW FROM OPERATING ACTIVITIES - I</b>	<b>(5,353,085.00)</b>	<b>10,400,393.00</b>
<b>II CASH FLOW FROM INVESTING ACTIVITIES</b>		
Profit / ( Loss) on Sale of Investments	(2,557,500.00)	-
<b>NET CASH FROM INVESTING ACTIVITIES - II</b>	<b>(2,557,500.00)</b>	<b>-</b>
<b>III CASH FLOW FROM FINANCING ACTIVITIES</b>		
Demat & Brokerage charges	-	-
Interest Received	1,083,068.00	1,171,130.00
Proceeds from borrowings	(2,697,523.00)	(1,559,659.00)
Repayment of borrowings	-	-
<b>NET CASH FROM FINANCING ACTIVITIES - III</b>	<b>(1,614,455.00)</b>	<b>(388,529.00)</b>
<b>NET INCREASE / ( DECREASE ) IN CASH ( I+II+III )</b>	<b>(9,525,040.00)</b>	<b>10,011,864.00</b>
<b>OPENING BALANCE OF CASH &amp; CASH EQUIVALENT</b>	<b>10,031,107.00</b>	<b>19,243.00</b>
<b>CLOSING BALANCE OF CASH &amp; CASH EQUIVALENT</b>	<b>506,067.00</b>	<b>10,031,107.00</b>

- Notes : 1) Cash and cash equivalents consists of cash on hand and balances with bank and F.D. with Bank  
2) Figures in brackets represents outflow of cash  
3) Figures for the last year have been regrouped, wherever considered necessary

Per our report of even date

FOR J. S. BHATIA & CO.  
Chartered accountants



J. S. BHATIA  
PROPRIETOR

PLACE : MUMBAI  
DATED : 05th May 2011



For and on behalf of the board  
U.R. AGARWAL



F. M. GOVINDAN  
DIRECTORS



**SUBWAY FINANCE & INVESTMENT CO.LTD.**

**SCHEDULE L**

**1. SIGNIFICANT ACCOUNTING POLICIES:-**

**Basis of preparation of financial statements:**

The financial statements are prepared under the historical cost convention, on an accrual basis and in accordance with the applicable accounting standards.

**1.1) Fixed Assets:-**

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

**1.2) Depreciation:-**

Depreciation on Fixed Assets is provided on Written Down Method at the rates and in the manner specified in the Schedule XIV of the Companies Act 1956.

**1.3) Investments:-**

Long term investments are stated at cost. No provision for diminution in the value of the investments are made as such diminution is viewed as diminution other than permanent in nature.

**1.4) Revenue Recognition:-**

Interest is recorded on time basis. Dividend income on investments is accounted for when the right to receive the payment is established.

**1.5) Taxation :-**

The provision for Current Tax is determined on the basis of taxable income for the current accounting year in accordance with the Income Tax Act, 1961.





Deferred Tax resulting from "timing difference" between book and taxable profit is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. The deferred tax assets is recognized and carried forward to the extent that there is reasonable certainty that the asset will be realized in future.

**1.6) Retirement Benefits :-**

The gratuity liability is provide on cash basis.

**1.7) Segment Information :-**

Since the company is dealing in only one segment, i.e. financing, there is no reportable segment as per AS-17 on "segment Reporting" issued by institute of Chartered Accountant of India.

**2. Contingent Liability not provided for**

	<u>AS ON</u> <u>31.03.11</u>	<u>AS ON</u> <u>31.03.10</u>
Estimated amount of contracts remaining to be executed on capital account and not provided for	NIL	NIL

3. a) Expenditure in Foreign Currency	NIL	NIL
b) Amount remitted during the year in Foreign Currency on account and Dividend.	NIL	NIL
c) Earning in Foreign Exchange	NIL	NIL

4. Other information pursuant to paragraph 3, 4C, 4D of Part II of Schedule VI of the Companies Act 1956 are not applicable.



5. The basic earning per share is computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity shareholders for the year by the weighted average number of equity shares outstanding during the year. As there is no presence of dilute potential equity shares, the diluted EPS is same as basis EPS as follows:

	<u>AS ON</u> <u>31.03.11</u>	<u>AS ON</u> <u>31.03.10</u>
<b>Profit after Tax</b>	<b>589,401</b>	<b>601,768</b>
<b>Add: Excess/(Short) Provision for Tax</b>	<b>-----</b>	<b>-----</b>
<b>Less: Transfer to Statutory Reserve</b>		
<b>Net Profit attributable to Shareholders</b>	<b>589,401</b>	<b>601,768</b>
Weighted average number of shares	1102500	1102500
Earning per share Basic and Diluted	0.53	0.55

**6. Provision for Income Tax**

Income tax comprises Current Tax, Fringe Benefit Tax and Deferred Tax. Income tax has been provided at the applicable rates prevailing during the year. Deferred tax Assets and liabilities are recognized for future Tax consequences of tanning difference of taxable income or expenses as per books and income tax, subject to the prudence, deferred tax assets and liabilities are measured using the tax rate enacted or substantially enacted enacted the balance sheet date.



## II CAPITAL RAISED DURING THE YEAR

Public Issue	: Nil
Right Issue	: Nil
Bonus Issue	: Nil
Private Placement	: Nil

## III POSITION OF MOBILIZATION AND DEPLOYMENT OF FUNDS

(Amounts in Rupees Thousand)

Total Liabilities	: 16705
Total Assets	: 16705

### SOURCE OF FUND

Paid up Capital	: 11025
Reserves and Surplus	: 6883
Secured Loan	: NIL
Unsecured Loan	:
Deferred Tax Liability	: 0.12

### APPLICATION OF FUNDS

Net Fixed Assets	: 0.42
Investments	: 2629
Net Current Assets	: 15278
Misc. Expenditure	: Nil
Accumulated Losses	: Nil



**IV PERFORMANCE OF THE COMPANY (Amounts in Rupees  
Thousands)**

Turnover	: 1083
Total Expenditure	: 223
Profit Before Tax	: 859
Profit After Tax	: 589
Earning Per Shares (In Rs)	: 0.53
Dividend	: Nil

**V GENERIC NAMES OF THREE PRINCIPAL PRODUCTS /  
SERVICES OF COMPANY**

(As per monetary term)

Item Code No. (ITC CODE) : NA

Product Description : Finance and Investment.

As per report of even date

**FOR J.S.BHATIA & CO.  
CHARTERED ACCOUNTANT.**



**J.S.BHATIA  
PROPRIETOR  
Place: Mumbai  
Date : 05/05/2011**

**For and on behalf of the Board**

  
**U.R.AGARWAL**

  
**P.M.GOVINDAN  
DIRECTOR  
Place: Mumbai  
Date : 05/05/2011**

**SUBWAY FINANCE & INVESTMENT CO LTD**  
**GROUPING FORMING PART TO THE BALANCE SHEET**

**BALANCES WITH SCHEDULE BANKS :**  
**IN CURRENT ACCOUNTS**  
 Punjab & Sind Bank

31.03.2011

31.3.2010

504407.83

10,029,447.83

**504407.83**

**10,029,447.83**

**Income Tax Paid**  
 ADVANCE TAX PAID F.Y.2007-2008  
 ADVANCE TAX PAID F.Y.2010-2011  
**Tax Deducted at Source**  
 TDS FOR F.Y.2007-2008  
 TDS FOR F.Y.2008-2009  
 T.D.S FOR F.Y.2009-10  
 T.D.S FOR F.Y.2010-11  
**S . A Tax For F.Y. 2009-10**

54000

54,000.00

150000

-

50727

50,727.00

477301

477,301.00

656900

656,900.00

117113

117,113.00

136330

-

148133

-

**1790504**

**1,356,041.00**

**OTHER LIABILITIES**

J.S.Bhatia & Co.  
 Tax Deducted at Source Payable  
 Outstanding Liabilities for Expenses

17,097

17,097.00

36000

7,260.00

3,000.00

**53,097**

**27,357.00**

**PROVISION FOR TAX**  
 ACCOUNTING YEAR ENDED  
 31.3.2008  
 31.3.2009  
 31.3.2010  
 31.3.2011

389,053.00

389,053.00

439,447.00

439,447.00

265,246.00

265,246.00

270,307.00

-

**1,364,053.00**

**1,093,746.00**

**SUBWAY FINANCE & INVESTMENT CO LTD**  
GROUPING FORMING PART TO PROFIT & LOSS A/C

**SALARY & OTHER BENEFITS**

	31.3.2011	31.3.2010
Salary	12,000	12,000.00
Bonus	1,000	1,000.00
	<u>13,000</u>	<u>13,000.00</u>

**MISCELLANEOUS EXP**

Bank Charges	6894	441.00
Locker Rent	2206	2,206.00
Filing Fees	1500	5,474.00
	<u>10,600.00</u>	<u>8,121.00</u>

**INTEREST RECD ON LOAN**

Quality Machine Tools	690224	1,171,130.00
Jeet Machine Tools Ltd	112630	-
	<u>802854</u>	<u>1,171,130.00</u>

7. **Related Party Transaction (AS-18)**

- a) List of Related  
b) Parties and Relationship

The following is the information on transaction with the related parties:

<u>Nature of Name</u>	<u>Relationship</u>	<u>Payment</u>	<u>Fees</u>
Key Management : U.R. Agarwal	“	“	9,000/-
Personnel P. M. Govindan	“	“	9,000/-
K.V. Vakharia	“	“	9,000/-

8. **Payment made to Auditors :**

	AS ON <u>31.03.11</u>	AS ON <u>31.03.10</u>
a) As Audit Fees	8000	8000
b) Other Matters	7500	7500
c) Service Tax	<u>1597</u>	<u>1597</u>
	17097	17097

9. There are no amounts due to any enterprise which is small scale and ancillary undertaking, for more than 30 days.
10. Previous year figures are regrouped or rearranged wherever necessary.
11. **Balance sheet Abstract And Company's General Business profile**

**I REGISTRATION DETAILS**

Registration No. : 29350  
State Code No : 11  
Balance Sheet : 31.03.2011



# **SUBWAY FINANCE AND INVESTMENT CO LIMITED**

108 Arihant, 1<sup>st</sup> Floor, Ahmedabad Street, Carnac Bunder, Mumbai- 400009

## **Directors Report**

THE MEMBERS,  
SUBWAY FINANCE AND INVESTMENT CO LIMITED

Your Directors have the pleasure in presenting their Annual Report before you, on the working of the Company, for the year ended 31<sup>st</sup> March, 2011.

### **FINANCIAL RESULTS**

(Amount in Rupees)

PARTICULARS	2010-2011	2009-2010
Sales & Other Income	1,083,068.00	₹,171,130.00
Less : Expenditure	223,444.00	304,252.00
<b>Profit/(Loss) Before Tax</b>	859,624.00	866,878.00
Less : Provision For Taxation	(270,307.00)	(265,246.00)
<b>Add/Less: Deferred Tax Liabilities</b>	84.00	136.00
<b>Profit After Tax</b>	589,401.00	601,768.00

### **PERFORMANCE DURING THE FINANCIAL YEAR**

The company has earned profit of Rs. 589,401/- during the current financial year as against Rs. 601,768/- earned during the previous financial year. Board is hopeful of better performance during the ensuing financial year.

### **DIVIDEND**

In view to conserve the finance for future development of the Company, your directors do not recommend any payment of dividend.

### **MATERIAL CHANGES AND COMMITMENTS AS ON DATE OF AGM**

As on the date of AGM, the Company has made following material changes :

#### **I. CHANGE IN DIRECTORSHIP :**

The Company has appointed Mr. Amulakh Bhupatray Mehta and Mr. Jayesh Amulakh Melita as Additional Director of the Company in compliance with section 260 of the Companies Act, 1956 on 18<sup>th</sup> April, 2011.

#### **II. ACQUISITION OF PROMOTERS SHAREHOLDING:**

The promoters' shareholding in the Company has been acquired by AJS Enterprises LLP and AJS Nirman LLP, all the formalities for Open Offer to the public category shareholders, as





required under SEBI (Substantial Acquisition of Shares & Takeovers) Regulations, 1997 were duly completed.

#### **DEPOSIT FROM PUBLIC**

The Company has not accepted any deposits from the members of the public as defined in section 58A of the Company's Act 1956.

#### **EMPLOYEES**

There was no employee drawing remuneration in excess of limits specified u/s 217 (2A) of the Company's Act 1956, hence the provisions are not applicable.

#### **COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) OF RULES, 1988**

The provisions relating to energy conservation and technology absorption is not applicable to the Company. The Company has not made any expenditure on Research and Development. There was no payment or earnings made by the Company in Foreign Exchange during the year.

#### **AUDITORS OF THE COMPANY**

Your Company's Board of Directors propose to appoint M/s. N.B. Parekh & Associates, Chartered Accountants of Mumbai as statutory auditors of the Company in place of retiring auditors, J.S. Bhatia & Co., subject to the approval of the Members at the forthcoming Annual General Meeting. A special notice under Section 225 read with Section 190 of the Companies Act, 1956 has been received by a member of the Company proposing to appoint the new auditors in place of retiring auditors at the forthcoming Annual General Meeting. The Company has received certificate from auditors to the effect that their appointment, if made, would be within the prescribed limits under section 224 (1) of the Companies Act 1956. You are requested to appoint auditors to hold such office from the conclusion of this Annual General Meeting and to fix their remuneration.

#### **COMPLIANCE CERTIFICATE**

The Compliance Certificate required under section 383A of Companies Act, 1956 received from M/S. Deepti Jambigi & Co. for the year ended 31st March, 2011 is attached herewith.

#### **DIRECTORS RESPONSIBILITY STATEMENT**

Pursuant to Section 217 (2AA) of the Companies Act, 1956 your directors hereby confirm that:

1. in preparation of annual accounts applicable Accounting Standards had been followed with proper explanation relating to material departures.
2. the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period.



3. 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.

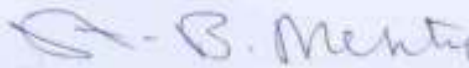
4. that the directors had prepared the annual accounts on a going concern basis.

#### ACKNOWLEDGEMENTS:

The Board wishes to place on record its gratitude towards the shareholders, the employees, the bankers and the Auditors for their continued co-operation.

Dated: 29<sup>th</sup> August 2011  
Place: Mumbai.

For SUBWAY FINANCE AND INVESTMENT CO LIMITED



Amulakh Bhupatray Mehta  
(Director)





Jayesh Amulakh Mehta  
(Director)



# Deepti Jambigi & Co.

COMPANY SECRETARY

Deepti Jambigi  
B. COM., A.C.S.

A/8, Bldg No. 2, Sadichha CHS, Thakurli (E), Dombivli - 421201 Ph: 0251-2450360, 9869685392

## COMPLIANCE CERTIFICATE

Regn No. L65990MH1983PLC029350

Nominal Capital: 11,500,000/-

Paid Up Capital: 11,025,000/-

To,  
The Members,  
Subway Finance and Investment Co. Limited.,  
108 Arihant, 1<sup>st</sup> Floor, Ahmedabad Street,  
Carnac Bunder,  
Mumbai-400009

We have examined the registers, records, books and papers of Subway Finance And Investment Limited 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 **31<sup>st</sup> March 2011**. 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 and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in **Annexure 'B'** to this Certificate, with the Registrar of Companies within the time prescribed under the Act and rules made thereunder.
3. The Company being a Public Limited Company, the provisions of Section 3(1)(iii) are not applicable.
4. The Board of Directors duly met 6 times on 13th May, 2010, 29th May, 2010, 12th August, 2010, 12th November, 2010, 9th December, 2010, 28th January, 2011, in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose.
5. The Company has not closed its Register of Members during the year under consideration.
6. The Annual General Meeting for the financial year ended on 31<sup>st</sup> March 2010 was held on 28<sup>th</sup> September 2010 after giving due notice to the members of the Company



and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.

7. No Extra Ordinary General Meetings were held during the financial year under consideration after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
8. The Company has not advanced any loans to its directors and persons or firms or companies referred to under Section 295 of the Companies Act, 1956 during the year under consideration.
9. The Company has not entered into any transactions attracting the provisions of section 297 of the Act during the financial year under consideration.
10. The Company has made the necessary entries in the register maintained under section 301 of the Act.
11. The company has obtained necessary approvals from the Board of Directors and members and no approval of the Central Government was required pursuant to section 314 of the Act.
12. No issue of duplicate Share Certificate was made by the Company during the period under scrutiny.
13.
  - (i) There was neither any allotment of shares nor any transfer of equity shares during the financial year under consideration.
  - (ii) The Company was not required to deposit any amount in a separate bank account as no dividend was declared during the financial year under consideration.
  - (iii) The Company was not required to post warrants to any member of the company as no dividend was declared during the financial year under consideration.
  - (iv) No provisions as to transferring the amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund are applicable.
  - (v) The Company has duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the Company is duly constituted.
15. No appointment of Managing Director was done during the year and hence, the provisions of section 269 read with Schedule XIII to the Act are not applicable.
16. No sole-selling agent was appointed by the Company for the period under scrutiny.



17. No approvals of the Central Government, Company Law Board, Regional Director, Registrar of Companies or such other Authorities as may be prescribed under the various provisions of the Act are required for the Financial Year under consideration.
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 shares/ debentures/ other securities during the financial year under consideration.
20. The Company has not bought back any share during the financial year under consideration.
21. There was no redemption of preference shares or debentures during the year under consideration.
22. The provisions as to keeping in abeyance rights to dividend, rights shares and bonus shares pending registration of transfer of shares are not applicable.
23. The Company has not invited/accepted deposits including unsecured loans during the period under consideration.
24. The amount borrowed by the Company from the financial institutions, banks and others during the financial year under scrutiny are within the borrowing limits under Section 293(1)(d) of the Act.
25. Since the Company's principal business is the acquisition of shares, stocks, debentures and other securities, the provisions of Section 372A of the Act are not applicable.
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 under consideration.
31. No prosecutions were initiated against or show cause notices received by the Company for alleged offences under the Act.



32. The Company has not received security deposit from its employees during the year under certification and therefore the provisions of section 417(1) of the Companies Act, 1956 are not applicable.
33. The provisions of depositing both employee's and employer's contribution to Provident Fund with prescribed authorities pursuant to section 418 of the Act are not applicable to the Company.

Place: Mumbai

Signature:

Date: 29 August 2011

Name of Company Secretary:

C. P. No:

**DEEPTI JAMBIGI & CO**  
**COMPANY SECRETARY**

*Deepthi*  
**DEEPTI JAMBIGI**  
**PROPRIETOR**  
**C.P.No.:8968**



### **Annexure A**

Registers as maintained by the Company

1. Register of Charges-u/s 143
2. Register of Members -u/s 150
3. Minutes Book for Board and General Meetings – u/s 193
4. Books of Accounts- u/s 209
5. Register of particulars of contract in which the Directors are interested u/s – 301
6. Register of Directors and Managing Director, Manager and Secretary u/s – 303
7. Register of Directors' shareholdings u/s 307
8. Share Transfer Register

### **Annexure B**

Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending on 31<sup>st</sup> March, 2011.

<b>Sr. No.</b>	<b>Form no./ Return</b>	<b>Filed u/s</b>	<b>Date of Filing/ registration</b>	<b>Filed within Time</b>	<b>If delay whether additional fee paid</b>
1	Form-66 for Compliance Certificate for the year ended 31/03/2010	383A	23/10/2010	Yes	NA
2	form 23AC & 23ACA for Balance Sheet and Profit & Loss A/c for the year ended 31 <sup>st</sup> March 2010	220	28/10/2010	Yes	NA
3	Form-20B for Annual Return as at the Annual General Meeting held on 28/09/2010	159	27/11/2010	Yes	NA



# **SUBWAY FINANCE AND INVESTMENT CO LIMITED**

108 Arihant 1st Floor Ahmedabad Street, Carnac Bunder, Mumbai- 400009

## **PROXY FORM**

Regd. Folio No. \_\_\_\_\_ No. of Shares held \_\_\_\_\_

I/We \_\_\_\_\_ of  
\_\_\_\_\_

\_\_\_\_\_ being a  
member / members of **SUBWAY FINANCE AND INVESTMENT CO LIMITED** hereby  
appoint \_\_\_\_\_ of \_\_\_\_\_ or failing  
him/her \_\_\_\_\_ of \_\_\_\_\_

as my/our proxy to attend and vote for me/ us on my/our behalf at the Annual General Meeting of the Company to be held on Thursday, 29th September, 2011 at 11:00 a.m at the Registered Office of the Company at 108, Arihant, 1<sup>st</sup> Floor, Ahmedabad Street, Carnac Bunder, Mumbai-400009 and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 11

Signature \_\_\_\_\_

Affix Re. 1/- Revenue Stamp
--------------------------------------

Notes: The form duly completed and signed must be deposited at the Registered office of the Company not less than 48 hours before the time for holding the aforesaid meeting.



**SUBWAY FINANCE AND INVESTMENT CO LIMITED**

108 Arihant 1st Floor Ahmedabad Street, Carnac Bunder, Mumbai- 400009

**ATTENDANCE SLIP**

(To be handed over at the entrance of the meeting hall)

Annual General Meeting on Thursday, 29th September, 2011

I certify that I am a registered shareholder/proxy for the registered shareholder of the Company.

I hereby record my presence at the Annual General Meeting of the Company at 108 Arihant 1st Floor Ahmedabad Street Carnac Bunder Mumbai-400009, on Thursday, 29th September, 2011 at 11.00 AM.

Full name of the Member : \_\_\_\_\_  
(in BLOCK LETTERS)

Regd. Folio No. : \_\_\_\_\_

No. of shares held : \_\_\_\_\_

Full Name of the Proxy : \_\_\_\_\_  
(in BLOCK LETTERS)