

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 Friday, 28th September, 2012 at the Registered Office of the Company at 108, Arihant, 1st 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 31st March, 2012 and the Balance Sheet as at that date and the reports of the Directors and Auditors thereon.
2. To re-appoint Mr. Kantilal Vajeshkar Vakharia who is liable to retire by rotation.
3. To re-appoint Mr. Umanath Raghunath Agarwal who is liable to retire by rotation.
4. To appoint M/s. N.B. Parèkh & Associates, Chartered Accountants, Mumbai, as 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.

Date: 12th July, 2012

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. THE REGISTER OF MEMBERS AND SHARE TRANSFER BOOKS WILL REMAIN CLOSED FROM WEDNESDAY, 26TH SEPTEMBER, 2012 TO THURSDAY, 27TH SEPTEMBER, 2012 (BOTH DAYS INCLUSIVE)

Date: 12th July, 2012
Place: Mumbai

For SUBWAY FINANCE AND INVESTMENT CO
LIMITED



Jayesh Mehta
Director

SUBWAY FINANCE AND INVESTMENT CO LTD

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

Particulars		Note No.	For the year ended 31 March, 2012	For the year ended 31 March, 2011
A	CONTINUING OPERATIONS			
1	Revenue from operations (gross)		0	0
	Less: Excise duty		0	0
	Revenue from operations (net)			
2	Other income	8		1083068
3	Total revenue (1+2)		0	1083068
4	Expenses			
	(a) Cost of materials consumed		0	0
	(b) Purchases of stock-in-trade			
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade		0	0
	(d) Employee benefits expense	9	7000	13000
	(e) Finance costs	10	7646	3844
	(f) Depreciation and amortisation expense		422	282
	(g) Other expenses	11	1658723	206318
	Total expenses		1673791	223444
5	Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)		-1673791	859624
6	Exceptional items			
7	Profit / (Loss) before extraordinary items and tax (5 ± 6)		-1673791	859624
8	Extraordinary items			
9	Profit / (Loss) before tax (7 ± 8)		-1673791	859624
10	Tax expense:			
	(a) Current tax expense for current year			-270307
	(b) (Less): MAT credit (where applicable)			
	(c) Current tax expense relating to prior years			539317
	(d) Net current tax expense			84
	(e) Deferred tax		0	
11	Profit / (Loss) from continuing operations (9 ± 10)		-1673791	589401
B	DISCONTINUING OPERATIONS			
12.i	Profit / (Loss) from discontinuing operations (before tax)		0	
12.ii	Gain / (Loss) on disposal of assets / settlement of liabilities attributable to the discontinuing operations		0	
12.iii	Add / (Less): Tax expense of discontinuing operations		0	
	(a) on ordinary activities attributable to the discontinuing operations			
	(b) on gain / (loss) on disposal of assets / settlement of liabilities			
13	Profit / (Loss) from discontinuing operations (12.i ± 12.ii ± 12.iii)		-1673791	589401
C	TOTAL OPERATIONS			
14	Profit / (Loss) for the year (11 ± 13)		-1673791	589401



SUBWAY FINANCE AND INVESTMENT CO LTD

Balance Sheet as at 31 March, 2012

Particulars		Note No.	As at 31 March, 2012	As at 31 March, 2011
A EQUITY AND LIABILITIES				
1 Shareholders' funds				
(a) Share capital		1	11,025,000.00	11,025,000.00
(b) Reserves and surplus		2	5,209,533.00	6,883,324.00
2 Share application money pending allotment				
0				
3 Non-current liabilities				
(a) Long-term borrowings				
(b) Deferred tax liabilities (net)		12	128.00	128
(c) Other long-term liabilities				
(d) Long-term provisions				
4 Current liabilities				
(a) Short-term borrowings		3	22,612.00	53,097.00
(b) Trade payables				
(c) Other current liabilities				
(d) Short-term provisions		4	1,375,211.00	1,364,053.00
TOTAL			17,632,484.00	19,325,602.00
B ASSETS				
1 Non-current assets				
(a) Fixed assets				
(i) Tangible assets		5		422.00
(ii) Intangible assets				
(iii) Capital work-in-progress				
(iv) Intangible assets under development				
(v) Fixed assets held for sale				
(b) Non-current investments				
2629184				
(c) Deferred tax assets (net)				
(d) Long-term loans and advances				
(e) Other non-current assets				
2 Current assets				
(a) Current investments		6	1,972,353.00	506,066.00
(b) Inventories				
(c) Trade receivables				
(d) Cash and cash equivalents		7	15,651,131.00	16,189,930.00
(e) Short-term loans and advances				
(f) Other current assets				
TOTAL			17,623,484.00	19,325,602.00
See accompanying notes forming part of the financial statements				

In terms of our report attached.
For N.B Parekh & Associates
Chartered Accountants

N B Parekh
Namrata Parekh
Proprietor
M.NO. 46873



For and on behalf of the Board of Directors

Director

Director

[Signature]
A. B. Mehta

Place : Mumbai

Date : 18.07.12

Place :

Date : 18.07.12

the Company
 Statement of Profit and Loss for the year ended 31 March, 20X2 (contd.)

Particulars	Note No.	For the year ended	For the year ended
		31 March, 20X2	31 March, 20X1
15.i Earnings per share	13		
(a) Basic			
(i) Continuing operations		-1.52	0.53
(ii) Total operations		-1.52	0.53
(b) Diluted			
(i) Continuing operations			
(ii) Total operations			
15.ii Earnings per share (excluding extraordinary items) (of ₹ ___/- each):			
(a) Basic			
(i) Continuing operations		-1.52	0.53
(ii) Total operations			
(b) Diluted			
(i) Continuing operations			
(ii) Total operations			
See accompanying notes forming part of the financial statements			

For N.B Parakh & Associates
 Chartered Accountants

N B Parakh
 Namrata Parakh

M.NO. 46873



For and on behalf of the Board of Directors

Director

Director

[Signature]
A. R. Mehta

Place : Mumbai
 Date : 12.07.12

12.07.12

SUBWAY FINANCE AND INVESTMENT CO LTD

Finance and Investment Ltd
Flow Statement for the year ended 31 March, 2012

Particulars	For the year ended 31 March, 2012		For the year ended 31 March, 2011	
A. Cash flow from operating activities				
Net Profit / (Loss) before extraordinary items and tax		-1673791		859624
<u>Adjustments for:</u>		422	282	
Depreciation and amortisation				
Provision for impairment of fixed assets and intangibles				
Amortisation of share issue expenses and discount on shares				
(Profit) / loss on sale / write off of assets				
Expense on employee stock option scheme				
Finance costs			-1083068	
Interest income			-270307	
Tax Paid				
Net (gain) / loss on sale of investments				-1353093
Operating profit / (loss) before working capital changes		-1673369		-493469
<u>Changes in working capital:</u>				
<u>Adjustments for (increase) / decrease in operating assets:</u>				
Inventories				
Trade receivables				
Short-term loans and advances				
Long-term loans and advances				
Other current assets		538670	-5155663	
Other non-current assets				
<u>Adjustments for increase / (decrease) in operating liabilities:</u>				
Trade payables			296047	
Other current liabilities		-29199		
Other long-term liabilities				
Short-term provisions				
Long-term provisions				-4859616
Cash flow from extraordinary items		509471		-5353085
Cash generated from operations				
Net income tax (paid) / refunds				
Net cash flow from / (used in) operating activities (A)		-1163898		-5353085



and Investment Ltd
Statement for the year ended 31 March, 2012 (Contd.)

Particulars	For the year ended 31 March, 2012		For the year ended 31 March, 2011	
B. Cash flow from investing activities				
Proceeds from sale of long-term investments				
- Subsidiaries				
- Associates				
- Joint ventures				
- Business units				
- Others				
Cash flow from extraordinary items	2629184		-2557500	
Net income tax (paid) / refunds		2629184		-2557500
Net cash flow from / (used in) investing activities (B)		2629184		-2557500

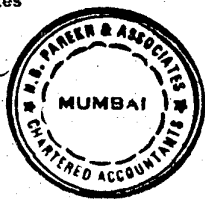


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SUBWAY FINANCE AND INVESTMENT CO LTD

Statement for the year ended 31 March, 2012 (Contd.)

Particulars	For the year ended 31 March, 2012		For the year ended 31 March, 2011	
C. Cash flow from financing activities				
Proceeds from issue of equity shares				
Proceeds from issue of preference shares				
Redemption / buy back of preference / equity shares				
Proceeds from issue of share warrants				
Share application money received / (refunded)				
Proceeds from long-term borrowings				
Repayment of long-term borrowings				
Net increase / (decrease) in working capital borrowings				
Proceeds from other short-term borrowings			-2697523	
Repayment of other short-term borrowings				
Finance cost			1083068	
Dividends paid				
Tax on dividend				-1614458
Cash flow from extraordinary items				-1614458
Net cash flow from / (used in) financing activities (C)				
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		1465286		-9525040
Cash and cash equivalents at the beginning of the year		506067		10031107
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents				
Cash and cash equivalents at the end of the year		1971353		506067
Reconciliation of Cash and cash equivalents with the Balance Sheet:				
Cash and cash equivalents as per Balance Sheet (Refer Note 19)				
Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements (give details)				
Net Cash and cash equivalents (as defined in AS 3 Cash Flow Statements) included in Note 19				
Add: Current investments considered as part of Cash and cash equivalents (as defined in AS 3 Cash Flow Statements) (Refer Note (ii) to Note 16 Current investments)				
Cash and cash equivalents at the end of the year *				
* Comprises:				
(a) Cash on hand				
(b) Cheques, drafts on hand				
(c) Balances with banks				
(i) In current accounts				
(ii) In EEFC accounts				
(iii) In deposit accounts with original maturity of less than 3 months				
(iv) In earmarked accounts (give details) (Refer Note (ii) below)				
(d) Others (specify nature)				
(e) Current investments considered as part of Cash and cash equivalents (Refer Note (ii) to Note 16 Current investments)				
Notes:				
(i) The Cash Flow Statement reflects the combined cash flows pertaining to continuing and discontinuing operations.				
(ii) These earmarked account balances with banks can be utilised only for the specific identified purposes.				
See accompanying notes forming part of the financial statements				
For N.B Parekh & Associates Chartered Accountants	For and on behalf of the Board of Directors			
<i>N. B Parekh</i> Namrata Parekh Proprietor M.NO. 46873	Director	<i>[Signature]</i>		
	Director	<i>A. B. Muthu</i>		
Place : Mumbai Date : 12.07.12				
Date :		Date : 12.07.12		



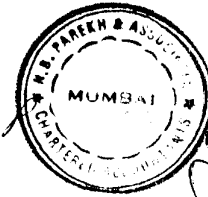
SUBWAY FINANCE AND INVESTMENT CO LTD

Part of the financial statements

Capital

Particulars	As at 31 March, 2012		As at 31 March, 2011	
	Number of shares		Number of shares	
Authorized				
Equity shares of ₹ 1150000 each with voting rights	1,150,000	11,500,000	1150000	11500000
Equity shares of ₹ 1102500 each with voting rights	1,102,500	11,025,000	1102500	11025000
Equity shares of ₹ _____ each with differential voting rights				
(b) Subscribed and fully paid up				
Equity shares of ₹ 1102500 each with voting rights	1,102,500	11,025,000	1102500	11025000
Total	1,102,500	11,025,000	1,102,500.00	11,025,000.00

Shareholders holding more than 5% shares of the company	NO OF SHARES	PERCENTAGE
AJS NIRMAN LLP	405,675	36.80
AJS ENTERPRISE LLP	402,750	36.53



SUBWAY FINANCE AND INVESTMENT CO LTD

forming part of the financial statements

Share capital (contd.)

Particulars

Notes:

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

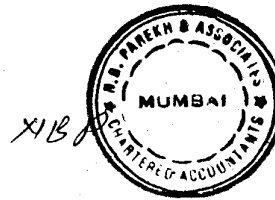
Particulars	Opening Balance	Fresh issue	Bonus	ESOP	Conversion	Buy back	Other changes (give details)	Closing Balance
Equity shares with voting rights								
Year ended 31 March, 2012								
- Number of shares	1102500	-	0	-	0	-	0	1102500
- Amount (₹)								
Year ended 31 March, 2011								
- Number of shares	1102500	-	0	-	0	-	0	1102500
- Amount (₹)								



SUBWAY FINANCE AND INVESTMENT CO LTD

Reserves and surplus

Particulars	As at 31 March, 2012	As at 31 March, 2011
(a) Special reserve		
Opening balance	947,000.00	947,000.00
Add: Additions during the year (give details)		
Less: Utilised / transferred during the year (give details)		
Closing balance	947,000.00	947,000.00
Less: Deferred stock compensation expense		
Closing balance		
(b) General reserve	925,000.00	925,000.00
Opening balance		
Add: Transferred from surplus in Statement of Profit and Loss		
Less: Utilised / transferred during the year for:		
Issuing bonus shares		
Others (give details)		
Closing balance	925,000.00	925,000.00
Closing balance		
(c) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	5,011,324.00	4,421,923.00
Add: Profit / (Loss) for the year		569,401.00
Amounts transferred from:		
General reserve		
Other reserves (give details)		
Loss during the year	(1,673,791.00)	
Closing balance	3,337,533.00	5,011,324.00
Total	5,209,533.00	6,883,324.00



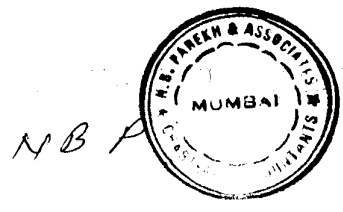
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A.R. Mehta

SUBWAY FINANCE AND INVESTMENT CO LTD

part of the financial statements

short term borrowings

Particulars	As at 31 March, 2012	As at 31 March, 2011
Loans repayable on demand		
From banks		
Secured		
Unsecured		
From other parties		
Secured		
Unsecured	22612	53097
Total	22,612.00	53,097.00



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SUBWAY FINANCE AND INVESTMENT CO LTD

Part of the financial statements

Short-term provisions

Particulars	As at 31 March, 20X2	As at 31 March, 20X1
a) Provision - Others:		
(i) Provision - others	1,375,211.00	1,364,053.00
Total	1,375,211.00	1,364,053.00



SUBWAY FINANCE AND INVESTMENT CO LTD

Notes forming part of the financial statements

Note 6 Fixed assets

Gross block										
A. Tangible assets	Balance as at 1 April, 2011	Additions	Disposals	Acquisitions through business combinations	Reclassified as held for sale	Revaluation increase	Effect of foreign currency exchange differences	Borrowing cost capitalised	Other adjustments	Balance as at 31 March, 2012
Total	42,000.00									42,000.00
Previous year										42,000.00

Note 5 Fixed assets (contd.)

A. Tangible assets	Balance as at 1 April, 2011	Depreciation / amortisation expense for the year	Eliminated on disposal of assets	Eliminated on reclassification as held for sale	Impairment losses recognised in statement of profit and loss	Reversal of impairment losses recognised in Statement of Profit	Other adjustments	Balance as at 31 March, 2012	Net block	
									Balance as at 31 March, 2012	Balance as at 31 March, 2011
(a) Office equipment Owned Taken under finance lease * Given under operating lease *	42000	422	0	0	0	0	41578	0		
Total	42,000.00	422.00					41,578.00			



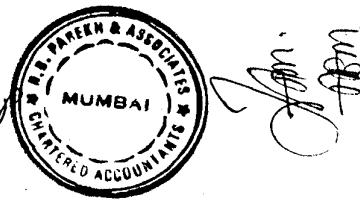
SUBWAY FINANCE AND INVESTMENT CO LTD

Part of the financial statements

and cash equivalents @

Particulars	As at 31 March, 2012	As at 31 March, 2011
a) Cash on hand		
b) Cheques, drafts on hand	1,659.00	1,659.00
c) Balances with banks		
(i) In current accounts	1,970,693.00	504,407.00
Total	1,972,352.00	506,066.00

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SUBWAY FINANCE AND INVESTMENT CO LTD

Part of the financial statements

Loans and advances

Particulars	As at 31 March, 2012	As at 31 March, 2011
Loans and advances to related parties (give details @) (Refer Note 30.7)		
Secured, considered good		
Unsecured, considered good	13,860,627	14,396,026
Doubtful		
) Security deposits		
Secured, considered good		
Unsecured, considered good		3,400
Doubtful		
Less: Provision for doubtful deposits		
) Balances with government authorities		
Unsecured, considered good		
(i) Income tax	1,790,504.00	1,790,504.00
(ii) VAT credit receivable		
(iii) Service Tax credit receivable		
Total	15,651,131.00	16,189,930.00

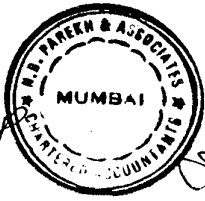
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of the financial statements
income

SUBWAY FINANCE AND INVESTMENT CO LTD

Particulars		For the year ended 31 March, 2012	For the year ended 31 March, 2011
(a)	Interest income (Refer Note (i) below)		1083068
Total		-	1,083,068.00

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SUBWAY FINANCE AND INVESTMENT CO LTD

part of the financial statements

Employee benefits expense

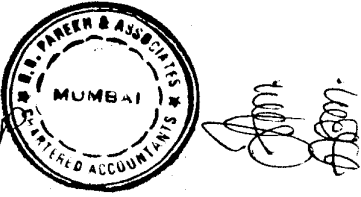
Particulars	For the year ended	For the year ended
	31 March, 2012	31 March, 2011
Salaries and wages	7000	13000
Contributions to provident and other funds (Refer Note 30.4) @		
Expense on employee stock option (ESOP) scheme (Refer Note 31) *		
Staff welfare expenses **		
Total	7000	13000



SUBWAY FINANCE AND INVESTMENT CO LTD

Particulars	For the year ended 31	For the year ended
	March, 2012	31 March, 2011
Interest expense on:		
(i) Borrowings	7646	3844
Total	7,646.00	3,844.00

7/13/12



SUBWAY FINANCE AND INVESTMENT CO LTD

expenses

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
Business promotion *		
Donations and contributions		
Legal and professional *	100000	
Payments to auditors (Refer Note (i) below)	124690	88792
	10000	
Net loss on sale of investments		
from current investments		
from long-term investments		
Prior period items (net) # (Refer Note (ii) below)		
Miscellaneous expenses *		
	1424033	117526
Total	1658723	206318



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SUBWAY FINANCE AND INVESTMENT CO LTD

Particulars		For the year ended 31 March, 2012	For the year ended 31 March, 2011
Earnings per share			
Basic			
Continuing operations			
Net profit / (loss) for the year from continuing operations		-1673791	589401
Less: Preference dividend and tax thereon			
Net profit / (loss) for the year from continuing operations attributable to the equity shareholders		-1673791	589401
Weighted average number of equity shares		1102500	1102500
Par value per share			
Earnings per share from continuing operations - Basic		-1.52	0.53
Earnings per share from continuing operations, excluding extraordinary items - Basic			
30.9.b Total operations			
Net profit / (loss) for the year		-1673791	589401
(Add) / Less: Extraordinary items net of tax			
Less: Preference dividend and tax thereon			
Net profit / (loss) for the year attributable to the equity shareholders, excluding extraordinary items		-1673791	589401
Weighted average number of equity shares		1102500	1102500
Par value per share			
Earnings per share, excluding extraordinary items - Basic		-1.52	0.53

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SUBWAY FINANCE AND INVESTMENT CO LTD

Financial statements
under Accounting Standards (contd.)

Particulars	As at 31 March, 2012	As at 31 March, 2011
Deferred tax (liability) / asset		
Tax effect of items constituting deferred tax liability	128.00	128.00
Net deferred tax (liability) / asset	128.00	128.00



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**N. B. PAREKH & ASSOCIATES
CHARTERED ACCOUNTANTS**

Mrs. Namrata Bhavin Parekh
B. COM., F.C.A., GRAD. C.W.A.

A-16, Arihant, Owner's Colony,
Near ONGC Colony,
Vidyavihar (East),
Mumbai - 400 077.
Tel. : 2102 4569/2502 9702
Fax : 91 - 22 - 21025692

AUDITORS REPORT

TO THE MEMBERS OF Subway Finance & Investment Co. Ltd

We have audited the attached Balance sheet of **Subway Finance & Investment Co. Ltd** as at 31st march 2012 and also the Profit & Loss account 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 based on our audit.

1. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditor's reports) Order, 2003 as amended by companies (Auditors report) Amendment Order, 2004 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 matters specified in paragraphs 4 and 5 of the said order.
3. Further to our comments in the Annexure referred to above, we report that:
 - (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 account.
 - (iv) In our opinion, The balance sheet, profit & loss account dealt with by this report comply with the accounting standard referred to in sub section (3C) of section 211 of the companies act, 1956;
 - (v) On the basis of written representation received from the directors, as on 31st march 2011 and taken on record by the Board of Directors, we report that none of the director is disqualified as on 31st March 2012 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of companies Act, 1956;

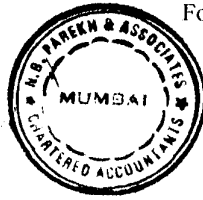


(vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) In the case of the Balance-sheet, of the state of affairs of the Company as at 31st march 2012

(b) In the case of the Profit and Loss account, of the loss for the year ended on that date;

For N.B PAREKH & ASSOCIATES



N B Parekh

Namrata Parekh
(Proprietor)
M.NO. 46873

PLACE: MUMBAI
DATE: 12/07/2012

N. B. PAREKH & ASSOCIATES
CHARTERED ACCOUNTANTS

Mrs. Namrata Bhavin Parekh
B. COM., F.C.A., GRAD. C.W.A.

A-16, Arihant, Owner's Colony,
Near ONGC Colony,
Vidyavihar-(East),
Mumbai - 400 077.
Tel. : 2102 4569/2502 9702
Fax : 91 - 22 - 21025692

Annexure

Subway Finance & Investment Co. Ltd

Referred to in paragraph 3 of our report of even date,

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) All the assets have been physically verified by the management. In our opinion, the frequency of verification is reasonable having regard to the size of the company and the nature of its assets. To the best of our knowledge, no material discrepancies were noticed on such verification.
- (ii) (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company nature of its business.
- (c) The company is maintaining proper records of inventory. No discrepancies noticed on verification between the physical stocks and the book records..
- (iii) (a) the company had not taken loan from the parties covered in the register maintain under section 301 of Companies Act. 1956. - The Company has not granted any loan/intercorporate deposits to any parties covered in the register maintain under section 301 of the Companies Act. 1956
- (b) In our opinion, the rate of interest and other terms and conditions on which loans have been taken from companies, firms or other parties listed in the register maintained under section 301 of Companies Act, 1956 are not, *prima facie*, prejudicial to the interest of the company.
- (c) The company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest.
- (d) There is no overdue amount of loans taken from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
- (iv) (a) According to the information and explanations given to us we are of the opinion that the transactions that need to be entered into the register maintained under sec. 301 of Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions Made in pursuance of contracts or arrangements entered in the register maintained under Sec.301 of Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market price at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the provisions of Sec.58A and 58AA of the Companies Act 1956 and the companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public are not applicable to the company.



- (vii) In our opinion the company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have been informed that Central Government has not prescribed maintenance of cost record under section 209(1)(d) of the companies Act. 1956 for any of the products of the co
- (ix) (a) The company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investors education protection fund, employees state insurance, income tax, sales tax, wealth tax, custom duty, excise duty, cess and other material statutory dues applicable to it.
- (b) According to information and explanation given to us, no undisputed amounts payable in respect of income tax, wealth tax, sale tax, custom duty, excise duty and cess were in arrears, as at 31ST March 2012 for a period of more than six months from the date they became payable.
- (c) In respect of Custom duty, Excise duty and Cess the company has confirmed that the said act are not applicable to the company during the year under report.
- There are no dues or other dues on account of sales tax, custom duty, wealth tax, excise duty and cess which have not been deposited on account of any dispute.
- (x) The Company does not have any accumulated losses. The Company has not incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (xii) According to the information and explanations given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provision of clause 4(xii) of the Companies (Auditor's Report) Order, 2003 as amended by companies (Auditors Report) amendment order, 2004 are not applicable to the company.
- (xiii) In our opinion the company is not a chit fund or a nidhi mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's report) order, 2003 as amended by companies (Auditors Report) amendment order, 2004 are not applicable to the company.
- (xiv) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4 (xiv) of the Companies (Auditor's report) Order, 2003 as amended by companies (Auditors Report) amendment order, 2004 are not applicable to the company.
- (xv) In our opinion the terms and conditions on which the company has given guarantees for loans taken by others from banks or financial institutions are not prejudicial to the interest of company.
- (xvi) The company has not taken any term loan during the year therefore Clause 4(xvi) of CARO is not applicable.
- (xvii) According to the information and explanation given to us and on an overall examination of the balance sheet of company, we report that the no funds raised on short-term basis have been used for long-term investment. No long-term funds have been used to finance short-term assets except permanent working capital.



- (xviii) In our opinion and according to the information and explanation given to us, the company has not made any preferential allotment of shares during the year to parties and companies covered in register maintained under section 301 of the Companies Act.
- (xix) The Company has not issued any debentures during the year, therefore Clause 4(xix) is not applicable.
- (xx) The company has not made any public issues during the year, therefore Clause 4(xx) is not applicable.
- (xxi) According to the information and explanation given to us, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

PLACE: MUMBAI
DATE



For N.B PAREKH & ASSOCIATES

N B Parekh

Namrata Parekh
(Proprietor)
M.NO. 46873

Significant Accounting Policies & Notes on Accounts

I. Significant Accounting Policies

- A. **Basis of Accounting:** - The financial statements are prepared under Historical cost convention on an accrual basis and are consistent with generally accepted accounting principles.
- B. **Use of Estimates:** - The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenue and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.
- C. **Fixed Assets:** - All fixed assets are valued at cost less depreciation.
- D. **Depreciation:** - Depreciation on fixed assets is provided on written down value basis in accordance with section 205(2) (b) as per rate specified in schedule XIV of the companies act 1956
- E. **Revenue Recognition:** - Sales are recognized on passing of property in goods based on agreement with the customers.
- F. **Impairment of Assets:** - An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the profit and loss account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.
- G. **Foreign Exchange Transactions:** - Transaction in foreign currency is recorded at the original rates of exchange in force at the time of transaction were effected. Current assets & liabilities balances in foreign currencies at the balance sheet date are restated at the year end exchange rates and the resultant net gain or loss adjusted in the revenue account.
- H. **Investments:** - Long term investments are reflected at cost.
- I. **Inventories:** - Stock in trade is valued at cost or net realizable value whichever is lower.
- J. **Sales:** - Sales is inclusive of sales tax and net of returns.
- K. **Custom Duties, Excise & Sales Tax:** -
(i) The custom duties payable on imported material lying as at the end of the year in the custom bonded warehouse neither included in expenses nor considered in valuation of the inventories of such materials. Such duties are accounted for an actual payment on clearance of such materials. This accounting practice has no impact on profit of this company
(ii) Excise duty is accounted on the basis of both, payments made in respect of goods cleared as also provision made for goods lying in bonded warehouse. Sales tax is charged to profit and loss account.
- L. **Employee Benefits:** -
(i) Short-term employee benefits are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.
(ii) Post employment and other long term employee benefits are recognized as an expense in the profit and loss account for the year in which the employee has rendered services. The expense is recognized at the present value of the amount



A.B. Menon

payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to the profit and loss account.

- M. **Employee Separation Cost:** - Compensation to employees who have opted for retirement from the Company is charged to the profit and loss account in the year of retirement.
- N. **Borrowing Costs:** - Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one of that necessarily substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.
- O. **Provision for Current and Deferred Tax:** - Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961. Deferred tax resulting from "timing differences" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is a virtual certainty that the asset will be realized in future.
- P. **Provision, Contingent Liabilities and Contingent Assets:** - Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

For N.B Parekh & Associates
(CHARTERED ACCOUNTANTS)

N B Parekh



Namrata Parekh
m.no:46873

12.07.12

For Subway Finance & Investment Co. Ltd

[Signature]
Director

[Signature]

12.07.12

SUBWAY FINANCE AND INVESTMENT CO LIMITED

108 Arihant, 1st 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 31st March, 2012.

FINANCIAL RESULTS

(Amount in Rupees)

PARTICULARS	2011-2012	2010-2011
Sales & Other Income	-	1,083,068.00
Less : Expenditure	1,673,791.00	223,444.00
Profit/(Loss) Before Tax	(1,673,791.00)	859,624.00
Less : Provision For Taxation	-	(270,307.00)
Add/Less: Deferred Tax Liabilities	-	84.00
Profit After Tax	(1,673,791.00)	589,401.00

PERFORMANCE DURING THE FINANCIAL YEAR

The company has incurred loss of Rs. 1,673,791.00/- during the current financial year as against profit of Rs. 589,401.00/- earned during the previous financial year. Board is hopeful of better performance during the ensuing financial year.

DIVIDEND

In view of losses incurred by the Company, directors do not recommend any payment of dividend.

DIRECTORS IN THE COMPANY

The Company has following director in the company:

Amulakh Bhupatray Mehta
Jayesh Amulakh Mehta
Kantilal Vajeshakar Vakharia
Umanath Raghunath Agarwal
Govindan Puthiya Manayamkuth

Mr. Amulakh Mehta and Mr. Jayesh Mehta were appointed as Additional Director as on 18th April, 2012, and they were regularized in Annual General Meeting dated 29th September, 2012 as Director liable to retire by rotation.

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

M/s. N.B. Parekh & Associates, Chartered Accountants, Statutory Auditors of the company, retire at the conclusion of this Annual General Meeting being eligible, offer themselves for reappointment.

COMPLIANCE CERTIFICATE

The Compliance Certificate required under section 383A of Companies Act, 1956 received for the year ended 31st March, 2012 is attached herewith.

DIRECTORS RESPONSIBILITY STATEMENT

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

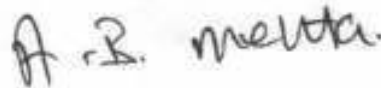
1. in preparation of annual accounts applicable Accounting Standards had been followed with proper explanation relating to material departures.
2. the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to 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: 12th July 2012
Place: Mumbai.

For SUBWAY FINANCE AND INVESTMENT CO LIMITED



**Amulakh Bhupatray Mehta
(Director)**



**Jayesh Amulakh Mehta
(Director)**

MAKARAND M.JOSHI & CO.

Company Secretaries

1-2, Shilpali, Cross Gokhale Road, Near Top Liner, Mumbai-400081. (T) 21639868, 21639086, 21636379 (F) 21637952

COMPLIANCE CERTIFICATE

Regn No. L65990MH1983PLC029350

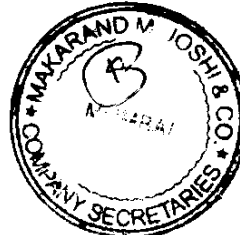
Nominal Capital: 11,500,000/-

Paid Up Capital: 11,025,000/-

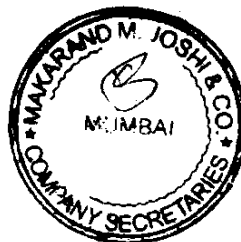
To,
The Members,
Subway Finance and Investment Co. Limited.,
108 Arihant, 1st Floor, Ahmedabad Street,
Carnac Bunder,
Mumbai-400009

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 **31st March 2012**. 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:

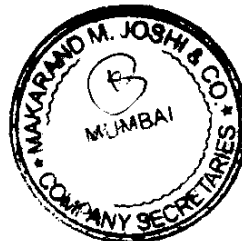
1. The Company has kept and maintained all Registers as stated in **Annexure `A`** to this Certificate, as per the provisions of the Act and the rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in **Annexure `B`** to 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 18th April, 2011, 5th May, 2011, 13th August, 2011, 29th August, 2011, 14th November, 2011 and 14th February, 2012, 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 closed its Register of Members during the year under consideration from 26th September 2011 to 28th September 2011 and has complied with the provisions of Section 154 of the Act.



6. The Annual General Meeting for the financial year ended on 31st March 2011 was held on 29th September 2011 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 Meeting was held during the financial year under consideration.
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) The Company has delivered all certificates on lodgement of equity shares for transfer in accordance with the provisions of the Act. There was no allotment during the period under scrutiny.
 - (ii) The Company has not deposited 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 and all appointments have been duly made.



15. The Company does not have Managing Director / Whole Time Director and the existing director have not drawn any remuneration during the year under consideration. Hence, provisions of Section 269 are complied with to the extent 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 preference share or debenture. Hence, provision of redemption of preference share or debentures is not applicable.
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 Company has not made any borrowings from financial institutions, banks and others during the financial under scrutiny.
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.



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:

**For MAKARAND M. JOSHI & CO.
COMPANY SECRETARIES**

Date: 12th July 2012

Name of Company Secretary:



KUMUDINI PARANJAPE
PARTNER
C. P. No. 6690

C. P. No:

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 31st March, 2012.

Sr. No.	Form no./ Return	Filed u/s	Date of Filing/ registration	Filed within Time	If delay whether additional fee paid
1.	Form 32 –Appointment of Mr. Jayesh Amulakh Mehta and Mr. Amulakh Bhupatray Mehta	303	20/04/2011	Yes	NA
2.	Form 18 - Shifting of registered office within the state	146	21/04/2011	Yes	NA
3.	Form 32 – Re-appointment of Mr. Jayesh Amulakh Mehta and Mr. Amulakh Bhupatray Mehta as Directors at the AGM held on 29/09/2011	303	28/10/2011	Yes	NA
4.	Form-66 for Compliance Certificate for the year ended 31/03/2011	383A	29/10/2011	Yes	NA
5.	Form-20B for Annual Return as at the Annual General Meeting held on 29/09/2011	159	26/11/2011	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 Friday, 28th September, 2012 at 11:00 a.m at the Registered Office of the Company at 108, Arihant, 1st 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 Friday, 28th September, 2012

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 Friday, 28th September, 2012 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)