

## **Independent Auditors' Report**

**TO THE MEMBERS OF  
CAPITAL TRADE LINKS LIMITED**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of **M/s CAPITAL TRADE LINKS LIMITED** ("the Company") which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters specified in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

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

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017 and its profit and its cash flows for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

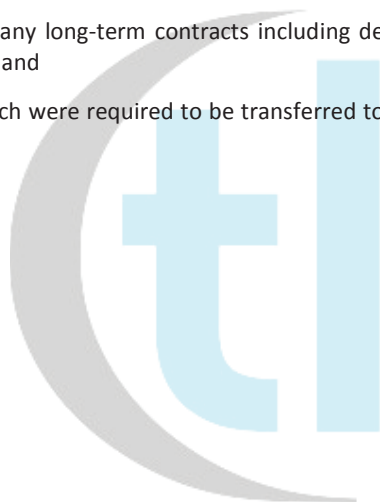
1. As required by the Companies (Auditor's Report) Order, 2017 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraph 3 & 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

- b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e) on the basis of the written representations received from the directors as on March 31, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of Section 164(2) of the Act;
- f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B'; and
- g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. the Company does not have any pending litigations which would impact its financial position in its financial statements;
  - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
  - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **A. C. Gupta & Associates**  
*Chartered Accountants*  
Firm's Regn. No. 008079N

Sd/-  
**A. C. Gupta**  
*Partner*  
Membership No. 008565

New Delhi, May 27, 2017



**Annexure A to the Independent Auditors' Report**

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(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) In respect of its fixed assets:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) As explained to us, the inventories were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of inventories at reasonable intervals and no material discrepancies were noticed on such verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) The Company has not accepted any deposits from the public during the financial year. Accordingly, provisions of Section 73 to 76 or any other relevant provisions and the Rules framed there under are not applicable to the Company.
- (vi) According to the information and explanations given to us, maintenance of cost records has not been prescribed by the Central government under sub-section (1) of Section 148 of the Companies Act, 2013 for any of the activities of the Company.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
  - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Value Added Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities. There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Value Added Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as at March 31, 2017 for a period of more than six months from the date they became payable.
  - (b) There are no disputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Value Added Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues as at March 31, 2017.
- (viii) The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, the provisions of paragraph 3(viii) of the Order are not applicable to the Company.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, provisions of paragraph 3(ix) of the Order are not applicable to the Company.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

- (xi) According to the information and explanations given to us, the details of Specified Bank Notes (SBN) held and transacted during the period 08/11/2016 to 30/12/2016 as provided in the Table below:-

Particulars	SBNs	Other Denomination Notes	Total
<b>Closing cash in hand as on 08.11. 2016</b>	0	63178	63178
(+) Permitted receipts	0	0	0
(-) Permitted payments	0	81436	81436
(-) Amount deposited in Banks	0	0	0
(+) Cash withdrawn from Banks	0	160000	160000
<b>Closing cash in hand as on 30.12. 2016</b>	<b>0</b>	<b>0</b>	<b>141742</b>

- (xii) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197, read with Schedule V to the Act.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, provisions of paragraph 3(xii) of the Order are not applicable to the Company.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has complied with the requirements of Section 42 of the Companies Act, 2013 with regard to the preferential allotment of shares made during the year. Further, amount raised by the Company through preferential allotment of shares have been used for the purposes for which those were raised.
- (xvi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, provisions of paragraph 3(xv) of the Order are not applicable to the Company.
- (xvii) According to the information and explanations given to us, we report that the Company has registered, as required, under section 45-IA of the Reserve Bank of India Act, 1934.

For **A. C. Gupta & Associates**  
Chartered Accountants  
Firm's Regn. No. 008079N

Sd/-  
**A. C. Gupta**  
Partner  
Membership No. 008565  
New Delhi, May 27, 2017

**Annexure B to the Independent Auditors' Report**

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(Referred to in paragraph 2 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

**Report on the Internal Financial Controls under clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of M/s CAPITAL TRADE LINKS LIMITED ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of the Management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future

periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **A. C. Gupta & Associates**

*Chartered Accountants*

Firm's Regn. No. 008079N

Sd/-

**A. C. Gupta**

*Partner*

Membership No. 008565

New Delhi, May 27, 2017



**Balance Sheet as at March 31, 2017**

Particulars	Note No.	For the year ended	For the year ended
		March 31, 2017	March 31, 2016
<b>EQUITY &amp; LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	3	50,980,000	50,980,000
Reserves and surplus	4	100,423,145	97,309,334
		<b>151,403,145</b>	<b>148,289,334</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities (net)	5	98,838	13,603
Long-term provisions	6	55,197	125,451
		<b>154,035</b>	<b>139,054</b>
<b>Current liabilities</b>			
Short-term borrowings	7	46,918,535	92,300,575
Other current liabilities	8	698,843	1,055,396
Short-term provisions	9	7,789,630	1,649,933
		<b>55,407,008</b>	<b>95,005,904</b>
<b>TOTAL</b>		<b>206,964,188</b>	<b>243,434,292</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible assets	10	3,366,008	2,995,385
Investment	11	27,200,000	-
		<b>30,566,008</b>	<b>2,995,385</b>
<b>Current assets</b>			
Inventories	12	2,340,379	29,936,594
Cash and cash equivalent	13	15,451,907	9,098,831
Short-term loans and advances	14	158,535,364	201,403,482
Sundry Debtors	15	70,530	-
		<b>176,398,180</b>	<b>240,438,907</b>
<b>TOTAL</b>		<b>206,964,188</b>	<b>243,434,292</b>

Summary of Significant Accounting Policies 2  
See accompanying notes forming part  
of the financial statements. 1-29

In terms of our report attached.

**For A. C. Gupta & Associates**

Chartered Accountants

Firm Regn. No. 008079N

Sd/-

**A. C. Gupta**

Partner

Membership No. 008565

Place: New Delhi

Date : May 27, 2017

For and on behalf of the Board of Directors

Sd/-

**Neeraj Garg**

Director

DIN- 00002770

Sd/-

**Hari Om Sharma**

Company Secretary

Sd/-

**Amar Nath**

Director

DIN- 06524521

Sd/-

**Yashwant Saini**

Chief financial Officer

**Statement of Profit and Loss for the year ended March 31, 2017**

Particulars	Note No.	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>Revenue</b>			
Revenue from operations	16	92,232,482	172,238,859
Other income	17	30,869	10,534,368
<b>Total revenue</b>		<b>92,263,351</b>	<b>182,773,227</b>
<b>Expenses</b>			
Purchases of stock in trade		39,824,433	193,000,244
Change in inventories	18	27,596,215	(28,939,213)
Employee benefits expense	19	6,000,869	2,522,687
Finance costs	20	4,364,477	1,805,445
Depreciation and amortisation expense	10	83,017	19,541
Other expenses	21	3,405,664	8,975,681
<b>Total expenses</b>		<b>81,274,674</b>	<b>177,384,385</b>
<b>Profit before tax</b>		<b>10,988,677</b>	<b>5,388,842</b>
<b>Tax expense:</b>			
Current tax		31,90,184	1,649,933
Deferred tax expense/(credit)		85,236	13,585
Tax adjustments for prior years (net)		-	-
<b>Profit for the year from continuing operations</b>		<b>7,713,257</b>	<b>37,25,324</b>
<b>Earnings per share (Face value of Re. 1/- each)</b>	22		
Basic		0.15	0.07
Diluted		0.15	0.07

Summary of Significant Accounting Policies 2  
See accompanying notes forming part  
of the financial statements. 1-29  
In terms of our report attached.

**For A. C. Gupta & Associates**

Chartered Accountants

Firm Regn. No. 008079N

Sd/-

**A. C. Gupta**

Partner

Membership No. 008565

Place: New Delhi

Date : May 27, 2017

For and on behalf of the Board of Directors

Sd/-

**Neeraj Garg**

Director

DIN- 00002770

Sd/-

**Amar Nath**

Director

DIN - 06524521

Sd/-

**Hari Om Sharma**

Company Secretary

Sd/-

**Yashwant Saini**

Chief Financial Officer



**Cash Flow Statement for the year ended March 31, 2017**

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>A. Cash flow from operating activities:</b>		
Net Profit before tax	10,988,677	5,388,842
Adjustments for:		
Depreciation	83,017	19,541
Contingent provision against Standard assets	(70,255)	(83,562)
Interest on income tax	48,348	81,134
Operating profit/(loss) before working capital changes	11,049,787	5,405,955
Changes in working capital:		
Adjustments for (increase)/decrease in operating assets:		
Inventories	27,596,215	(28,939,213)
Short-term loans and advances	42,868,118	(103,171,280)
Adjustments for increase/(decrease) in operating liabilities:		
Other current liabilities	(356,553)	(56,753)
Cash generated from operations	81,087,037	(126,761,291)
Direct taxes (paid)	1,698,281	1,500,685
<b>Net cash from/(used in) operating activities (A)</b>	<b>79,388,756</b>	<b>(128,261,976)</b>
<b>B. Cash flow from investing activities:</b>		
Purchase of fixed assets	(453,640)	(2,990,500)
Purchase of Investment	(27,200,000)	-
<b>Net cash from/(used in) investing activities (B)</b>	<b>(27,653,640)</b>	<b>(2,990,500)</b>
<b>C. Cash flow from financing activities:</b>		
Proceeds from short-term borrowings	(45,382,040)	43,037,945
Proceeds from issuance of share capital	-	92,000,000
<b>Net cash from/(used in) financing activities (C)</b>	<b>(45,382,040)</b>	<b>135,037,945</b>
<b>Net increase/(decrease) in Cash and Cash equivalents (A+B+C)</b>	<b>6,353,076</b>	<b>3,785,470</b>
Cash and cash equivalents at the beginning of the year	9,098,831	5,313,361
<b>Cash and cash equivalents at the end of the year</b>	<b>15,451,907</b>	<b>9,098,831</b>

**Notes:**

- The above Cash Flow statement has been prepared under the 'Indirect Method' as set out in Accounting Standard-3 "Cash Flow Statements" specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- Figures of the previous year are recast wherever necessary to conform to figures of the current year.

In terms of our report attached.

**For A. C. Gupta & Associates**

Chartered Accountants

Firm Regn. No. 008079N

Sd/-

**A. C. Gupta**

Partner

Membership No. 008565

Place: New Delhi

Date : May 27, 2017

For and on behalf of the Board of Directors

Sd/-  
**Neeraj Garg**

Director  
DIN- 00002770

Sd/-  
**Hari Om Sharma**

Company Secretary

Sd/-  
**Amar Nath**

Director  
DIN - 06524521

Sd/-  
**Yashwant Saini**

Chief Financial Officer

**Notes forming part of the financial statements for the year ended March 31, 2017****1 Corporate Information**

Capital Trade Links Limited ("the Company") incorporated as a public company under the provisions of the Companies Act, 1956. The Company is engaged into the business of Non-Banking Financial Institution (NBFI) without accepting public deposits. The Company is holding a valid Certificate of Registration (COR) from Reserve Bank of India (RBI).

**2 Significant Accounting Policies****Basis of Accounting**

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013, ("the 2013 Act"). The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

The Company also follows the directions prescribed by the Reserve Bank of India (RBI) for Non-Banking Financial Companies.

**Use of Estimates**

The preparation of financial statements in conformity with Indian GAAP requires the Management to make judgments, estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as on the date of the financial statements and the reported income and expenses during the reported period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. Any revision in the accounting estimates is recognised prospectively in current and future periods.

**Revenue Recognition**

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

Interest income on loans given is recognised on accrual basis, considering the directions issued by the Reserve Bank of India from time to time in terms of the Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998. Loans are classified into 'Performing and Non-performing' assets in terms of the said directions.

Other interest income is recognised on a time proportion accrual basis taking into account the amount outstanding and the interest rate applicable.

Profit on sale of investments is recorded on transfer of title from the Company is determined as the difference between the sale price and carrying value of the investment. Dividend income is accounted when the right to receive is established.

**Inventories**

Items of inventories are measured at lower of cost and net realisable value. Cost of inventories comprises of cost of purchase and other costs. Net realisable value is the estimated selling price in the ordinary course of business, less estimated cost to make the sale.

**Tangible and Intangible Assets, Depreciation and Amortisation**

Tangible/Intangible assets have been stated at cost less accumulated depreciation/amortisation and net of impairments, if any. The cost comprises purchase price, borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.

Depreciation on tangible assets is provided on the straight-line method over the useful lives of assets, which is as stated in Part C of Schedule II of the Companies Act, 2013. Intangible assets are amortised over their respective individual estimated useful lives on a straight-line basis. Depreciation for assets purchased/sold during a period is proportionately charged.

**Impairment of Assets**

The Management periodically assesses, using external and internal sources, whether there is an indication that an asset may be impaired. An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

**Leases**

Lease under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Such assets acquired are capitalised at fair value of the asset or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments under operating leases are recognised as an expense on a straight line basis in the Statement of Profit and Loss over the lease term.

**Investments**

Investments which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statement at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

**Foreign Currency Transactions**

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount exchange rate between the reporting currency and the foreign currency on the date of the transaction.

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

Exchange differences arising on settlement of monetary items or on reporting of monetary items at rates different from those at which they were initially recorded during the period or reported in previous financial statements are recognised as income or expense in the period in which they arise.

**Cash and Cash Equivalents**

Cash and cash equivalents in the cash flow comprise cash/cheques in hand and cash at bank. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

**Taxes on Income**

Tax expense comprises of Current and Deferred tax. Current tax is measured at the amount expected to be paid in respect of taxable income for the year in accordance with the Indian Income tax Act, 1961. Minimum alternate tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e. the period for which MAT credit is allowed to be carried forward.

Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws that have been enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. If the Company has carry forward of unabsorbed depreciation and tax losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future taxable profits.

Unrecognised deferred tax assets of earlier years are reassessed and recognised to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

**Borrowing Costs**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss in the period in which they are incurred.

**Employee Benefits***Short-term employee benefits*

All employee benefits payable/available within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages and bonus etc. are recognised in the Statement of Profit and Loss in the period in which the employee renders the related service.

*Defined contribution plans*

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contribution to a separate entity. The Company makes specified monthly contributions towards Employee's Provident fund and Employee's State Insurance Scheme which are recognised in the Statement of Profit and Loss during the year in which the employee renders the related service.

*Defined benefit plans*

A defined benefit plan i.e. gratuity, is a post-employment benefit plan other than defined contribution plan. The liability in respect of defined benefit plans and other post-employment benefits is actuarially determined (using Projected Unit Credit Method) at the Balance Sheet date. Actuarial gains/losses are immediately recognised in the Statement of Profit and Loss.

*Compensated absences*

The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods. The liability in respect of compensated absences is actuarially determined (using Projected Unit Credit Method) at the Balance Sheet date. Actuarial gains/losses are immediately recognised in the Statement of Profit and Loss.

**Earnings per Share**

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

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

**Provisions, Contingent Liabilities and Contingent Assets**

Provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are measured based on best estimate of the expenditure required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

Contingent assets are neither recognised nor disclosed in the financial statements.

**Notes forming part of the financial statements for the year ended March 31, 2017****3 Share Capital**

Particulars	As at March 31, 2017		As at March 31, 2016	
	<u>No. of shares</u>	<u>Amount</u>	<u>No. of shares</u>	<u>Amount</u>
<b>Authorised</b>				
Equity shares of Re. 1/- each	51,000,000	51,000,000	51,000,000	51,000,000
<b>Issued, Subscribed and Paid up</b>				
Equity shares of Re. 1/- each	50,980,000	50,980,000	50,980,000	50,980,000
<b>Total</b>	<b>50,980,000</b>	<b>50,980,000</b>	<b>50,980,000</b>	<b>50,980,000</b>

**Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:**

Particulars	As at March 31, 2017		As at March 31, 2016	
	<u>No. of shares</u>	<u>Amount</u>	<u>No. of shares</u>	<u>Amount</u>
Shares outstanding at the beginning of the year	50,980,000	50,980,000	49,980,000	49,980,000
Add: Shares issued during the year	-	-	1,000,000	1,000,000
Less: Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	<b>50,980,000</b>	<b>50,980,000</b>	<b>50,980,000</b>	<b>50,980,000</b>

**Terms / rights attached to equity shares**

The Company has only one class of equity shares having par value of Re. 1/- per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**Details of shares held by each shareholder holding more than 5% shares:**

Name of shareholder	As at March 31, 2017		As at March 31, 2016	
	<u>Number of shares held</u>	<u>% of holding</u>	<u>Number of shares held</u>	<u>% of holding</u>
Krishan Kumar & Sons HUF	7,610,900	14.93%	7,610,900	14.93%
Neeraj Kumar & Sons HUF	7,292,100	14.30%	7,292,100	14.30%

Notes forming part of the financial statements for the year ended March 31, 2017**4 Reserves and surplus**

Particulars	As at March 31, 2017	As at March 31, 2016
	<u>Amount</u>	<u>Amount</u>
<b>Special Reserve</b>		
Opening balance	1,441,828	696,763
Add: Transferred from surplus balance in the Statement of Profit & Loss	1,542,651	745,065
Closing balance	2,984,479	1,441,828
<b>Securities Premium Account</b>		
Opening balance	91,000,000	-
Add: Addition during the year	-	91,000,000
Closing balance	91,000,000	91,000,000
<b>Surplus in Statement of Profit and Loss</b>		
Opening balance	4,867,506	1,887,247
Add: Profit for the year	7,713,257	3,725,324
Less: Proposed Dividend	3,823,500	
Less: Income Tax on Proposed Dividend	7,75,946	
Less: Transferred to Special reserve	1,542,651	745,065
Closing balance	6,438,666	4,867,506
<b>Total</b>	<b>100,423,145</b>	<b>97,309,334</b>

Note: As per Section 45IC of RBI Act, 1934, Rs. 1,542,651/- (Previous year Rs. 7,45,065/-) (20% of Net Profit after tax) has been transferred to Special Reserve.

**5 Deferred tax liability / asset (net)**

Particulars	As at March 31, 2017	As at March 31, 2016
	<u>Amount</u>	<u>Amount</u>
Deferred tax liability		
Fixed assets: Impact of difference between tax depreciation and depreciation charged for financial reporting	98,838	19,165
Gross deferred tax liability	98,838	19,165
Deferred tax asset		
Other temporary disallowances	-	5,562
Gross deferred tax asset	-	5,562
<b>Net deferred tax liability /(asset)</b>	<b>98,838</b>	<b>13,603</b>

**6 Long-term provisions**

Particulars	As at March 31, 2017	As at March 31, 2016
	<u>Amount</u>	<u>Amount</u>
Contingent provision against standard assets	55,197	125,451
<b>Total</b>	<b>55,197</b>	<b>125,451</b>

## 7 Short-term borrowings

Particulars	As at March 31, 2017	As at March 31, 2016
	<u>Amount</u>	<u>Amount</u>
Unsecured		
Other loans and advances		
From other parties	46,918,535	92,300,575
<b>Total</b>	<b>46,918,535</b>	<b>92,300,575</b>

## 8 Other current liabilities

Particulars	As at March 31, 2017	As at March 31, 2016
	<u>Amount</u>	<u>Amount</u>
Other payables		
Audit fees payable	40,000	40,000
Liabilities towards employees	-	186,800
Statutory dues	595,593	692,127
Other charges	53,250	136,469
<b>Total</b>	<b>698,843</b>	<b>1,055,396</b>

## 9 Short-term provisions

Particulars	As at March 31, 2017	As at March 31, 2016
	<u>Amount</u>	<u>Amount</u>
Others		
Provision for tax	3,190,184	1,649,933
Income Tax on Proposed Dividend	775,946	-
Proposed Dividend	3,823,500	-
<b>Total</b>	<b>7,789,630</b>	<b>1,649,933</b>

## 10 Fixed assets

	Tangible Assets			Gross block (At Cost)		Accumulated depreciation			Net block	
	Balance as at April 1, 2016	Additions	Disposals	Balance as at March 31, 2017	Balance as at April 1, 2016	Depreciation for the year	Eliminated on Disposal	Balance as at March 31, 2017	Balance as at March 31, 2017	Balance as at March 31, 2016
	<u>Amount</u>	<u>Amount</u>	<u>Amount</u>	<u>Amount</u>	<u>Amount</u>	<u>Amount</u>	<u>Amount</u>	<u>Amount</u>	<u>Amount</u>	<u>Amount</u>
Air Conditioner	25,800	20,000	-	45,800	3,105	2,175.00	-	5,280	40,520	22,695
CCTV Camera	23,000	-	-	23,000	818	1,513	-	2,331	20,669	22,182
Building	2,967,500	-	-	2,967,500	16,992	47,270	-	64,262	2,903,238	2,950,508
Furniture	-	139,100	-	139,100	-	4,439	-	4,439	134,661	-
Computer	-	286,700	-	286,700	-	27,313	-	27,313	259,387	-
Office Equipment	-	7,840	-	7,840	-	306	-	306	7,534	-
<b>Total</b>	<b>3,016,300</b>	<b>453,640</b>	<b>-</b>	<b>3,469,940</b>	<b>20,915</b>	<b>83,017</b>	<b>-</b>	<b>103,932</b>	<b>3,366,008</b>	<b>2,995,385</b>
Previous Year	25,800	2,990,500	-	3,016,300	1,374	19,541	-	20,915	2,995,385	24,426

**11 Investments**

Particulars	As at March 31, 2017	As at March 31, 2016
	<u>Amount</u>	<u>Amount</u>
Mutual Fund	18,500,000	-
FDR with HDFC Bank	5,700,000	-
Week Line Investments and Trading Co. Ltd	3,000,000	-
<b>Total</b>	<b>27,200,000</b>	<b>-</b>

**12 Inventories**

Particulars	As at March 31, 2017	As at March 31, 2016
	<u>Amount</u>	<u>Amount</u>
Stock of shares	2,340,379	29,936,594
<b>Total</b>	<b>2,340,379</b>	<b>29,936,594</b>

**13 Cash and cash equivalents**

Particulars	As at March 31, 2017	As at March 31, 2016
	<u>Amount</u>	<u>Amount</u>
Cash and cash equivalents		
Balances with banks in current account	15,414,283	9,076,149
Cash on hand	37,625	22,682
<b>Total</b>	<b>15,451,908</b>	<b>9,098,831</b>



## 14 Short-term loans and advances

Particulars	As at March 31, 2017	As at March 31, 2016
	Amount	Amount
Unsecured, considered good unless otherwise stated		
Loans and advances	22,078,611	50,180,512
Advances recoverable in cash or kind	135,633,209	148,815,666
Other loans and advances		
Balances with government authorities		
TDS receivable	3,81,693	1,411,931
Advance payment of income tax	300,000	75,000
Service tax input credit receivable	141,851	920,373
<b>Total</b>	<b>158,535,364</b>	<b>201,403,482</b>

## 15 Sundry Debtors

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
	Amount	Amount
Share India Securities Limited	70,530	-
<b>Total</b>	<b>70,530</b>	<b>-</b>

## 16 Revenue from operations

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
	Amount	Amount
Interest income		
Income from loans and advances	5,253,698	6,791,947
Sale of shares	80,496,596	165,446,912
Consultancy charges	5,917,765	6,851,450
Profit on sale/redemption of current investments	180,893	96,958
Profit from Sale of Property	368,314	-
Dividend income	15,216	28,887
<b>Total</b>	<b>92,232,482</b>	<b>179,216,154</b>

## 17 Other income

Particulars	For the year ended	For the year ended
	March 31, 2017	March 31, 2016
	Amount	Amount
<b>Other non-operating income</b>		
Interest on income tax refund	10,073	12,222
Miscellaneous income	20,796	3,544,851
<b>Total</b>	<b>30,869</b>	<b>3,557,073</b>

## 18 Change in inventories

Particulars	For the year ended	For the year ended
	March 31, 2017	March 31, 2016
	Amount	Amount
Shares:		
Stock at the beginning	29,936,594	997,381
Stock at the end	2,340,379	29,936,594
<b>Total</b>	<b>27,596,215</b>	<b>(28,939,213)</b>

## 19 Employees benefits expense

Particulars	For the year ended	For the year ended
	March 31, 2017	March 31, 2016
	Amount	Amount
Salaries	5,892,000	2,406,779
Staff welfare expenses	108,869	115,908
<b>Total</b>	<b>6,000,869</b>	<b>2,522,687</b>

## 20 Finance costs

Particulars	For the year ended	For the year ended
	March 31, 2017	March 31, 2016
	Amount	Amount
Interest expenses	4,311,971	1,720,613
Other borrowing costs		
Bank charges	4,158	3,698
Interest on delayed payment of taxes	48,348	81,134
<b>Total</b>	<b>4,364,477</b>	<b>1,805,445</b>

## 21 Other expenses

Particulars	For the year ended	For the year ended
	March 31, 2017	March 31, 2016
	Amount	Amount
Advertisement	439,275	44,782
Payment to auditors (Refer Note below)	60,000	60,000
Conveyance charges	77,662	159,722
Contingent provision against Standard assets	(70,255)	(83,562)
Fines and penalty	899	2,600
Share expense	217,403	525,219
Donation	11,200	22,851
Electricity expense	68,020	79,780
Office expense	142,038	120,501
Director's remuneration	259,097	512,323
Director's sitting fees	60,000	227,000
Repair and maintenance charges	90,924	60,352
Postage and telegram	12,093	9,105
Printing and stationery	43,223	34,712
Listing fees	201,000	200,000
Legal and professional fee	434,863	6,605,642
Office rent	144,000	18,000
Meeting expenses	1,111,071	142,532
Telephone expense	34,905	32,175
Website expense	5,010	2,857
Processing fees	-	15,070
RTA Service Expenses	7035	12,000
Miscellaneous expenses	56,201	172,020
<b>Total</b>	<b>3,405,664</b>	<b>8,975,681</b>
<b>Note:</b>	<b>For the year ended</b>	<b>For the year ended</b>
	<b>March 31, 2017</b>	<b>March 31, 2016</b>
	<b>Amount</b>	<b>Amount</b>
Payment to auditors comprises		
As auditors - statutory audit	40,000	40,000
For other services	20,000	20,000
<b>Total</b>	<b>60,000</b>	<b>60,000</b>

## 22 Earnings per share

Particulars	For the year ended	For the year ended
	March 31, 2017	March 31, 2016
	Amount	Amount
Profit attributable to Equity shareholders (A)	7,713,257	3,725,324
Basic/Weighted average number of Equity shares outstanding during the year (B)	50,980,000	50,980,000
Nominal value of Equity shares	1	1
Basic/Diluted Earnings per share (A)/(B)	0.15	0.07

23. **Related party disclosures**  
**Details of related parties:**

<u>Description of relationship</u>	<u>Name of related parties</u>
Key Management Personnel	Renu Garg (Till August 13, 2016) - Whole-time Director Yashwant Saini - Chief Financial Officer Raj Kumar - Whole-time Director Hari Om Sharma - Company Secretary

The following transactions were carried out with related parties in the ordinary course of business:

<u>Nature of Transaction</u>	<u>Key Management Personnel</u>			
	<u>Renu Garg</u>	<u>Yashwant Saini</u>	<u>Hari Om Sharma</u>	<u>Raj Kumar</u>
Remuneration	1,38,323 (360,000)	- -	- -	120,774 -
Salary	- -	376,000 (348,000)	2,64,000 (60,000)	- -

Figures in brackets relates to the previous year.

24. The Company does not have any other segment of business. Hence, the Segmental reporting regulations are not applicable to the Company.
25. **Disclosures required under Section 32 of the Micro, Small and Medium Enterprises Development Act, 2006**  
There are no Micro and Small Enterprises, to whom the company owes dues, which are outstanding for more than 45 days at the Balance Sheet date. The above information regarding Micro Enterprises and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.
26. The Company has complied with the prudential norms on income recognition and provisioning requirements against performing and non-performing assets as per the provisions of Reserve Bank of India (RBI).
27. All assets and liabilities have been classified as current or non-current based on assumption of operating cycle with duration of 12 months.
28. Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

In terms of our report attached.

**For A. C. Gupta & Associates**

*Chartered Accountants*

Firm Regn. No. 008079N

**Sd/-**

**A. C. Gupta**

*Partner*

Membership No. 008565

For and on behalf of the Board of Directors

**Sd/-**

**Neeraj Garg**

*Director*

DIN- 00002770

**Sd/-**

**Amar Nath**

*Director*

DIN - 06524521

**Sd/-**

**Hari Om Sharma**

*Company Secretary*

**Sd/-**

**Yashwant Saini**

*Chief Financial Officer*

Place: New Delhi

Date: May 27, 2017

29.

**Schedule to the Balance Sheet of a Non-Banking Financial Company**  
*(as required in terms of Paragraph 9BB of*  
*Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998*

(Rs. in lakhs)

Particulars			
<b>Liabilities side :</b>			
(1)	<b>Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:</b>	Amount out-standing _____	Amount overdue _____
	(a) Debentures : Secured : Unsecured (other than falling within the meaning of public deposits*)		
	(b) Deferred Credits		
	(c) Term Loans	46918535	Nil
	(d) Inter-corporate loans and borrowing		
	(e) Commercial Paper		
	(f) Public Deposits*		
	(g) Other Loans (specify nature)		
	* Please see Note 1 below		
(2)	<b>Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):</b>		
	(a) In the form of Unsecured debentures		
	(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	Nil	Nil
	(c) Other public deposits		
	* Please see Note 1 below		
<b>Assets side :</b>			
		Amount outstanding	
(3)	<b>Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :</b>		
	(a) Secured	Nil	
	(b) Unsecured	46918535	
(4)	<b>Break up of Leased Assets and stock on hire and hypothecation loans counting towards EL/HP activities</b>		
	(i) Lease assets including lease rentals under sundry debtors :		
	(a) Financial lease	Nil	
	(b) Operating lease	Nil	
	(ii) Stock on hire including hire charges under sundry debtors:		
	(a) Assets on hire		
	(b) Repossessed Assets		
	(iii) Hypothecation loans counting towards EL/HP activities		
	(a) Loans where assets have been repossessed		
	(b) Loans other than (a) above	Nil	
(5)	<b>Break-up of Investments :</b>		

	<p><u>Current Investments :</u></p> <p>1. <u>Quoted :</u></p> <p>(i) Shares : (a) Equity (b) Preference</p> <p>(ii) Debentures and Bonds (iii) Units of mutual funds (iv) Government Securities (v) Others (please specify)</p> <p>2. <u>Unquoted :</u></p> <p>(i) Shares : (a) Equity (b) Preference</p> <p>(ii) Debentures and Bonds (iii) Units of mutual funds (iv) Government Securities (v) Others (Please specify)</p> <p><u>Long Term investments :</u></p> <p>1. <u>Quoted :</u></p> <p>(i) Share : (a) Equity (b) Preference</p> <p>(ii) Debentures and Bonds (iii) Units of mutual funds (iv) Government Securities (v) Others (Please specify)</p> <p>2. <u>Unquoted :</u></p> <p>(i) Shares : (a) Equity (b) Preference</p> <p>(ii) Debentures and Bonds (iii) Units of mutual funds (iv) Government Securities (v) Others (Please specify)</p>	<p>Nil</p> <p>Nil</p> <p>Nil</p> <p>Nil</p>																	
(6)	<p><b>Borrower group-wise classification of all leased assets, stock-on-hire and loans and advances :</b> Please see Note 2 below</p>																		
	<p>Category</p> <p>1. Related Parties **</p> <p>(a) Subsidiaries</p> <p>(b) Companies in the same Group</p> <p>(c) Other related parties</p>	<p>Amount net of provisions</p> <table border="1"> <thead> <tr> <th>Secured</th> <th>Unsecured</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Nil</td> <td>Nil</td> <td>Nil</td> </tr> <tr> <td>Nil</td> <td>Nil</td> <td>Nil</td> </tr> <tr> <td>Nil</td> <td>Nil</td> <td>Nil</td> </tr> <tr> <td>Nil</td> <td>Nil</td> <td>Nil</td> </tr> </tbody> </table>			Secured	Unsecured	Total	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Secured	Unsecured	Total																	
Nil	Nil	Nil																	
Nil	Nil	Nil																	
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