

SWAGTAM TRADING & SERVICES LIMITED

GHOSH KHANNA & CO.
Chartered Accountants

L-2A, Hauz Khas Enclave,
New Delhi – 110016.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SWAGTAM TRADING & SERVICES LTD

Report on the Financial Statements

We have audited the accompanying financial statements of M/s Swagtam Trading & Services Ltd (CIN: L51909AS1984PLC007078) (the company) which comprise the Balance Sheet as at 31st March, 2015 and the statement of Profit and Loss and Cash Flow Statement for the period then ended, and a Summary of significant accounting policies, notes and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Director is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the Accounting principles generally accepted.

This responsibility also includes maintenance of adequate accounting records for safeguarding the assets of the Company and for preventing the detection 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 internal control, 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the Standards on Auditing 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 misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments; the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by 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,

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- (b) In the case of the Profit and Loss Statement, of the profit for the period of twelve months ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order 2015 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, on the matters specified in paragraphs 3 and 4 of the Order we report that.
 - i. In respect of the Company's 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 the fixed assets at reasonable intervals. Accordance to the information and explanation given to us, no material discrepancies were noticed on such verification.
 - ii. In respect of Company's inventories:

The company is primarily in the business of Real Estate. Commission, etc., and purchase sale of bullion, commodities, etc., and does not hold any inventory. Therefore, the provisions of Clause 3(ii) of the said Order are not applicable to the Company.
 - iii. The company has not granted any unsecured loan, to company covered in register maintained under section 198 of the act during the year. Therefore, the provisions of Clause 3(iii) of the said order are not applicable to the Company.
 - iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control systems.
 - v. In our opinion and according to the information and explanations given to us, the Company has not accepted deposits. Therefore, the provisions of the clause 3 (v) of the Order are not applicable to the company.
 - vi. The provision of clause (3)(vi) of the order are not applicable to the Company as the Company is not covered by the Companies (Cost Records and Auditors) Rules, 2014.
 - 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, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues applicable to it with the appropriate authorities.
 - (b) there were no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues in arrears as at March 31, 2015 for a period of more than six months from the date they become payable.
 - (c) There are no amounts required to be transferred by the Company to the Investor Education and Protection Fund in accordance with the provisions of the Companies Act, 1956 and the rules made there under.
 - viii. The company does not have accumulated losses at the end of financial year. Company neither incurred any cash losses in this financial year nor in the immediately preceding financial year.
 - ix. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a bank. Further, in our opinion and according to information and explanations given to us, the Company did not have any amount outstanding to financial institutions or debenture holders.
 - x. In our opinion and according to the information and explanations given to us, the company has not given

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any guarantee for loans taken by others from banks or financial institutions during the year. Accordingly, the provisions of Clause 3(x) of the Order are not applicable to the Company.

- xi. According to the information and Explanations given to us, the Company did not avail any term loan during the year.
 - xii. During the Course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, notice or reported during the year, nor have we been informed of any such case by the Management.
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 appears from our examination of those books;
 - c) The Balance Sheet, Profit & Loss Statement and cash flow statement with by this report are in agreement with the books of account;
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standard specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rule, 2014
 - e) On the basis of written representations received from the Directors as on 31st March, 2015 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of section 164(2) of the Act;
 - f) .with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (audit & Auditors), rule, 2014, in our opinion and to the best of our information and according to the explanations give to us:
 - i. The Company done not have any pending litigation with would impact its financial position:
 - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.

For GHOSH KHANNA & CO.

Chartered Accountant

Firm Registration No.-003366N

Place: New Delhi

Date : May 25, 2015

(Deepthi Manchanda)

Partner

Membership No.-517699

SWAGTAM TRADING & SERVICES LIMITED
CIN: L51909AS1984PLC007078

Balance Sheet

Amount in ₹

Particulars	Note	As at March 31, 2015	As at March 31, 2014
EQUITY AND LIABILITIES			
SHAREHOLDER's FUNDS			
Share Capital	2.1	11,905,000	2,475,000
Reserves and Surplus	2.2	30,079,737	5,754,706
		41,984,737	8,229,706
NON-CURRENT LIABILITIES			
Long-term Borrowings	2.3	—	679,000
Deferred tax liabilities		1,877	—
		1,877	679,000
CURRENT LIABILITIES			
Short-term Borrowings	2.4	—	8,495,033
Short-term Provisions	2.5	356,326	1,549,013
Other Current Liabilities	2.6	66,610	—
		422,937	10,044,046
		42,409,550	18,952,752
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets (Tangible)	2.7	218,048	—
Investments	2.8	29,264	29,264
Loans and advances	2.9	9,368,556	18,807,010
		9,615,868	18,836,274
CURRENT ASSETS			
Advance against purchase of property	2.10	25,000,000	—
Trade Receivables	2.11	754,556	13,248
Other Receivables	2.12	6,300,000	—
Cash and cash equivalents	2.13	124,686	103,230
Deferred Revenue Expenditure		614,440	—
		32,793,682	116,478
		42,409,550	18,952,752

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS 1&2

Note: See accompanying notes which are integral part of the Financial Statements

As per our even Report attached
For Ghosh Khanna & Co.
Chartered Accountants
 Firm's Registration No. 003366N
Deepthi Manchanda
 Partner
 Membership No. 517699
 Place: New Delhi
 Date : 25-05-2015

For Swagtam Trading & Services Ltd.

Lalita Mittal
 Director
 DIN: 06928783

Sumit Gupta
 Director
 DIN: 06911742

SWAGTAM TRADING & SERVICES LIMITED

SWAGTAM TRADING & SERVICES LIMITED

CIN: L51909AS1984PLC007078

Statement of Profit & Loss

Amount in ₹

Particulars	Note	Year Ended March 31, 2015	Year Ended March 31, 2014
REVENUE			
Revenue from Operations		-	7,363,196
Commission from Real Estate Business		1,524,235	-
Surplus From Bullion, Commodities,		1,222,538	-
Other Income	2.14	20,137	110,144
		2,766,910	7,473,340
EXPENSES			
Decrease in Stock in Trade	2.15	-	13,685
Administrative & other expenses	2.16	984,192	53,985
Employee Benefits Exp	2.17	521,477	-
Finance Costs	2.18	28,772	-
Depreciation		34,952	-
Deferred Revenue Expenditure w/off		153,610	-
Total Expenses		1,723,003	67,669
Profit before exceptional and extraordinary items and tax		1,043,908	7,405,671
Exceptional items		-	-
Profit before extraordinary items and tax		1,043,908	7,405,671
Extraordinary Items		-	-
PROFIT BEFORE TAX		1,043,908	7,405,671
Tax expense:			
Current Year Tax		292,000	1,489,287
Deferred Tax Liability		1,877	-
Profit for the year		750,031	5,916,384
EARNING PER SHARE (Equity share of par value of 10 each)			
Basic		1.04	23.90
Diluted		1.04	23.90
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS			
	1&2		

Note: See accompanying notes which are integral part of the Financial Statements

As per our even Report attached
For Ghosh Khanna & Co.
Chartered Accountants
 Firm's Registration No. 003366N
Deepti Manchanda
 Partner
 Membership No. 517699
 Place: New Delhi
 Date : 25-05-2015

For Swagtam Trading & Services Ltd.
Lalita Mittal
 Director
 DIN: 06928783
Sumit Gupta
 Director
 DIN: 06911742

Notes which are integral part of financial statements for the year ended March 31, 2015 :-

Swagtam Trading and Services Limited ("the Company") was incorporated on December 31, 1984 to carry on the business wholesalers, indenting agents and manufacturers representative, to carry on business of importers, exporters and to carry on the business of traders, agents, suppliers of product and commodities and to carry on the business of general finance, . Certificate of Commencement of Business was issued by ROC on February 5, 1985.

At the meeting of Board & Shareholders held on 08.08.2014 & 17.09.2014 respectively. MOA & AOA were amended and Certificate of Registration of the Special Resolution Confirming Alteration of Object Clause(s) dated 03.11.2014 received from ROC and the Company is now carrying out the principal business of Real Estate & Commission, Bullion, Commodities, etc.

1. Significant Accounting Policies

1.1 Basis of preparation of financial statements

These financial statements are prepared on under the historical cost convention, in compliance in accordance with Generally Accepted Accounting Principles (GAAP) in India on accrual basis. GAAP Comprises accounting standards as specified in rule 3 of the Companies (Accounting Standards) Rules 2006, and the relevant provisions of the Companies Act, to the extent applicable. Accounting policies have been consistently applied.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the form AOC - 3 to the Companies (Accounts) Rule, 2014. Company has ascertained its operating cycle as 12 months for the purpose of current – non current classification of assets and liabilities.

1.2 Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of income and expenses of the period, reported amount of assets and liabilities and disclosure relating to contingent assets and liabilities as of the date on the financial statements. Accounting estimate could change from period to period and actual results could differ from those estimates.

1.3 Revenue recognition

Revenue is recognized on accrual basis. Dividend income is accounted for on receipt basis. Sale/purchase of securities is recognized on the basis of actual deliveries of securities. Profit/loss on sale of investments is arrived at considering average cost of investments.

1.4 Inventories

Securities, which are considered by the management as stock in trade, are valued at lower of cost or net realizable value. Transfer charges on securities purchased are added to the cost when paid. Cost of Stock is taken on Average cost method.

1.5 Investments

Securities, which are considered by management as investments, are valued at cost. Cost is determined on a weighted average basis. Transfer charges & other expenses on securities purchased are added to the cost when paid. Earning from investments are accrued on the date of of declaration or receipt and the Tax deducted at Source thereon is treated as advance tax.

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1.6 Employee benefits

Employee benefits are recognized as an expense in the profit and loss account of the year

1.7 Foreign Currency Transactions

a. Expenditure in Foreign Currency : NIL

b. Income in Foreign Currency : NIL

1.8 Provisions and Contingencies

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that probably will not require an outflow of resources or where a reliable estimate of the obligation cannot be made.

1.9 Taxes

Taxation, if any, is being provided at the rate prevailing during relevant period under normal provisions prescribed by the Income tax Act, 1961 and rules made thereunder.

1.10 Cash and Cash Equivalentents

Cash and cash equivalentents comprise cash in hand and accounts with banks.

Notes which are integral part of financial statements for the year ended March 31, 2015 :-

2.1 Share Capital

Amount in ₹

Particulars	As at March 31, 2015	As at March 31, 2014
Authorised		
Equity shares 40,00,000 (Previous year 12,50,000) of par value Rs.10/- each	40,000,000	12,500,000
	40,000,000	12,500,000
Issued, Subscribed and Paid up		
Equity shares 11,90,500 (Previous year 2,47,500) of par value Rs.10/-each fully paid up	11,905,000	2,475,000
	11,905,000	2,475,000

Equity Shares

The equity shares having a par value of Rs. 10/- per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders shall be eligible to receive any of the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding. The amount distributed will be in proportion to the number of equity shares held by the shareholders.

Reconciliation of the number of shares outstanding

Particulars	As at March 31, 2015		As at March 31, 2014	
	No. of shares	Value	No. of shares	Value
EQUITY SHARES				
Shares outstanding at the beginning of the year	247,500	2,475,000	247,500	2,475,000
Add: Shares issued as on 30.09.2014	943,000	9,430,000	-	-
Total Shares outstanding at the end of the year	1,190,500	11,905,000	247,500	2,475,000

Shares in respect of each class in the company and shares held by shareholders holding more than 5% shares

Name of the company	Class of shares	No. of shares as at March 31, 2,015	No. of shares as at March 31, 2,014
	EQUITY SHARES		
Aditya Estates (P) Ltd		-	36,200
P. R. Holdings Ltd.		-	21,900
Duncan Macneill Mines & Granites Ltd.		-	24,200
William Jacks & Co. (India) Ltd.		-	24200
Richa Aggarwal		60,000	-
		60,000	106,500

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2.2 Reserves and Surplus

Particulars	as at March 31, 2015	as at March 31, 2014
Share Premium A/c		
Opening	-	-
Add: Received During the Year	23,575,000	-
Closing	23,575,000	-
Profit & Loss Account		
Balance in Profit & Loss Account		
- Opening	5,754,706	(161,679)
Add : Profit during the year	750,031	5,916,384
Balance in Profit & Loss Account - Closing	6,504,737	5,754,706
Total Reserves & Surplus	30,079,737	5,754,706

2.3 Long Term Borrowings

Particulars	as at March 31, 2015	as at March 31, 2014
Unsecured		
Long-term Borrowings from inter company	-	679,000
	-	679,000

2.4 Short-term Borrowing

Particulars	as at March 31, 2015	as at March 31, 2014
Short-term Borrowings from inter company	-	8,495,033
	-	8,495,033

2.5 Short-term Provisions

Particulars	as at March 31, 2015	as at March 31, 2014
Provision for Income Tax	292,000	1,489,287
Provision for expenses	64,326	59,726
	356,326	1,549,013

2.6 Other Current Liabilities

Particulars	as at March 31, 2015	as at March 31, 2014
Other Current Liabilities	66,610	-
	66,610	-

NOTE : 2.7
DEPRECIATION CHART FOR F. Y. 2014-15

Date of Purchase	Particular	Original Cost (Rs)	Addition During the Year	Deletion During the Year	Life as per Co. Act, 2013	Life Used till 31/03/2014	Remaining Life	Salvaged value	Depreciable amount over whole life	Depreciation for the year	Carrying Amount as on 31.03.2015
(A) Motor Vehicle											
26.09.2014	Honda Car	-	225,000	-	8	0	8	11,250	213,750	26,719	198,281
(B) Computer											
02.01.2015	Computer	-	23,000	-	3	0	3	1,150	21,850	7,283	15,717
(C) Office Equipments											
26.03.2015	Security Camera	-	5,000	-	5	0	5	250	4,750	950	4,050
Total Assets		-	253,000	-				12,650	240,350	34,952	218,048

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2.8 Investments

Particulars	Face Value	Quantity	In ₹	
			As at March 31, 2015	As at March 31, 2014
B) EQUITY SHARES (UNQUOTED)				
Decorous Investment & Trading Co. Ltd.	10	9,600	29,264	29,264
		9,600	29,264	29,264

Market Value of Listed investments Rs 29,264/-
(Previous Year Rs. 29,264/-)

2.9 Loans and advances

Particulars	as at March 31, 2015	as at March 31, 2014
Unsecured - considered good		
P R Holdings Limited	-	15,000
Assam Company Ltd.	-	9,577,892
World Link Finance Ltd.	9,214,118	9,214,118
Advance Income Tax 2014-15	154,438	-
	9,368,556	18,807,010

There is no loan and advance due by directors or officers of the company or any of them either severally or jointly with any other persons or amounts due by firms or private companies in which any director is a partner or a member.

2.10 Advances against Purchase of Property

Particulars	as at March 31, 2015	as at March 31, 2014
ARIC Lubricants (India) Pvt. Ltd.	14,000,000	-
RSND Projects Pvt. Ltd.	11,000,000	-
	25,000,000	-

2.11 Trade Receivables

Particulars	as at March 31, 2015	as at March 31, 2014
RAS Development Pvt. Ltd	754,556	-
Link Holding Pvt. Ltd.	-	13,248
	754,556	13,248

2.12 Other Receivables

Particulars	as at March 31, 2015	as at March 31, 2014
Uwajh Jewels	6,300,000	-
	6,300,000	-

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2.13 Cash and cash equivalents

Particulars	as at March 31, 2015	as at March 31, 2014
Cash on hand	67,833	75,459
ICICI Bank Ltd.	(4772)	9,540
State Bank of Bikaner & Jaipur	18,231	18,231
PNB - Preferential Issue	14,934	-
PNB - C/A	28,460	-
	124,686	103,230

Notes which are integral part of financial statements for the year ended March 31, 2015 :-

2.14 Other Income

In ₹

Particulars	as at March 31, 2015	as at March 31, 2014
Dividend received	-	110,144
Interest	20,137	-
	20,137	110,144

2.15 Increase/Decrease in stock

Particulars	as at March 31, 2015	as at March 31, 2014
Opening Stock	-	13685
Less: Closing Stock	-	-
(Increase) / Decrease in stock	-	13685

2.16 Administrative & other expenses

Particulars	as at March 31, 2015	as at March 31, 2014
Advertisement Exp	60,952	-
Bank Charges	5,474	-
Charges to CDSL	56,199	-
Charges to NSDL	41,013	-
Conveyance Exp	50,347	-
Courier & Postage Exp	13,499	-
DEMAT Charges	1,500	-
DP Registration Charges - Alankit	5,618	-
Fees - Calcutta Stock Exchange	146,630	-
Fees - Delhi Stock Exchange	148,700	11,236
Interest on Statutories Due	13,912	-
Office Exp	22,310	-
Pantry Exp	20,935	-

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Rent	18,000	—
Telephone Exp	14,080	—
Travelling Exp	87,235	—
Professional charges	5,370	9,620
Vehicle Exp	12,580	-
Website Charges	11,236	-
<u>Auditor's remuneration</u>		
Audit fee	11,236	11,236
Certification fee	3,000	-
Communication	-	2,405
Printing and stationery	62,220	3,205
Filing Fee - ROC	93,400	11,000
Sundry expenses	-	5,283
Secretarial Audit Fee	25,000	-
Internal Audit Fee	28,090	-
Mics Exp	25,656	-
	<u>984,192</u>	<u>53,985</u>

2.17 Employees Benefits Exp

Particulars	as at March 31, 2015	as at March 31, 2014
Salary to Employees	521,477	-
	<u>521,477</u>	<u>-</u>

2.18 Finance costs

Particulars	as at March 31, 2015	as at March 31, 2014
Interest paid	28,772	—
	<u>28,772</u>	<u>—</u>

Notes which are integral part of financial statements for the year ended March 31, 2015

2.19 Related Party Disclosures

a) Name of the Related Parties : Key Management Personnel	:	1. Sh Deepak Sharma - Director 2. Sh.Raj Kumar Gupta - Director 3. Sh. Raman Mittal - Director 4. Smt. Lalita Mittal - WTD & CFO 5. Sh. Sumit Gupta - Director	
Enterprises over which Key Management Personnel / Shareholders/ Relatives have significant influence at year end	:		
b) Transactions with Related Parties Nature of Transaction		Key Management Personnel	Enterprises over which Key Management Personnel/Shareholders/ Relatives have significant influence
Balance outstanding as at year end			

2.20 Quantitative details

The company is primarily engaged in the principal business of Real Estate & Commission etc and purchase & sale of Bullion, Commodities, etc.,

2.21 Earning per share

The following is the computation of earnings per share :-

Net profit as per P&L/A/C	Rs. 750,031
Weighted average number of shares outstanding	719,000
Weighted average number of equity shares & potential equity share equivalents outstanding shares	719,000
Nominal Value of shares	Rs. 10
Basic earning per shares	Rs. 1.04
Diluted earning per share	Rs. 1.04

2.22 Post Balance Sheet Events

Material events occurring after the Balance Sheet are taken into consideration.

2.23 Loans & Advances

An advance of Rs. 92,14,118/- paid to Worldlink Finance Limited whose recoverability is doubtful.

No interest income has been recognized during the period 1.4.2014 to 31.3.2015 on the said advance.

In the opinion of the Board all the Current Assets, Loans & Advances have a value on realization in ordinary course of business at least equal to the amount at which these are stated.

2.24 Previous year's figures

Previous year's figures have been regrouped / rearranged / reclassified wherever necessary to correspond with the current year classification / disclosures.

As per our even Report attached

For Ghosh Khanna & Co.

Chartered Accountants

Firm's Registration No. 003366N

Deepti Manchanda

Partner

Membership No. 517699

Place: New Delhi

Date : 25-05-2015

For Swagtam Trading & Services Ltd.

Lalita Mittal

Director

DIN: 06928783

Sumit Gupta

Director

DIN: 06911742