

# GHOSH KHANNA & CO.

CHARTERED ACCOUNTANTS

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## Independent Auditor's Report

To the Members of  
**SWAGTAM TRADING & SERVICES LIMITED**

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

We have audited the accompanying financial statements of SWAGTAM TRADING & SERVICES LIMITED, [CIN: L51909DL1984PLC289131] ("the Company"), which comprise of the Balance Sheet as at March 31, 2016, and the Statement of Profit and Loss and Cash Flow Statement for the year 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 Directors 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 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.

### **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 of the financial statements that give a true and fair view 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**



### **Branches:**

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

- a) in the case of the Balance Sheet, of the state of affairs of the company as at 31.03.2016;
- b) in the case of the Profit and Loss Account, of the Profit for the year ended on that date.
- c) in the case of the Cash Flow Statements, 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, 2016 ("the Order") issued by the Central Government of India in terms of sub – section (11) of Section 143 of the Act, a statement on the matters specified in paragraphs 3 and 4 of the Order:

We Report that:

- i) In respect of Company's Fixed Assets.
  - a) The company is maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - b) Fixed assets were physically verified by the management at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification and properly dealt with in the Books of Account.
  - c) All the Assets were purchased by the company in its own name.
- ii) The company is primarily engaged in the business of real estate, commission, etc., and purchase & sale of jewellery, 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.  
In case of shares, verification was carried on at reasonable intervals and no discrepancies were noticed.
- iii) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted loans, secured or unsecured, to companies, firms, or other parties covered in the register maintained under section 189.
- iv) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted loans, made investments, provide guarantees or securities under section 185 & 186 of the Companies Act, 2013,.
- v) In our opinion and according to the information and explanations given to us, the Company has not accepted Fixed Deposits and nothing is outstanding and there is no contravention, 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 been regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, Income Tax, sales 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 income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues in arrears as at March 31, 2016 for a period of more than six months from the date they become payable.
- viii) In our opinion and according to the information and explanations given to us, the Company has not accepted nor defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders and nothing is outstanding.
- ix) In our opinion and according to the information and explanations given to us, the Company has not raised any money through IPO / FPO (including debt instruments) and term loans during the year and nothing is outstanding.
- x) In our opinion and according to the information and explanations given to us, no fraud by Company or any fraud on the company by its Officers or employees has been noticed or reported during the year.



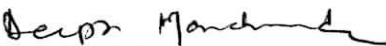
- xi) In our opinion and according to the information and explanations given to us, Managerial Remuneration has been paid or provided in accordance with requisite approvals mandated by the provisions of section 197 read with schedule V of the Companies Act, 2013.
- xii) Company is not Nidhi company, then the provisions of clause (3) (xii) of the Order are not applicable to the company.
- xiii) In our opinion and according to the information and explanations given to us, all related parties transactions, if any, wherever applicable, have been disclosed in Financial Statement.
- xiv) In our opinion and according to the information and explanations given to us, the Company has not made preferential issue / private placement of shares or debentures during reporting period.
- xv) According to the information and Explanations given to us, the Company has not entered into any non-cash transactions with directors or person connected with him, during the reporting period.
- xvi) The company is not required to be registered u/s 45-IA of Reserve Bank of India Act, 1934.

2. Our Report on the Internal Financial Control has been annexed this Report (ANNEXURE-I)

3. 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, the Statement of Profit & Loss and 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) Rule, 2014;
- e) On the basis of written representations received from the Directors as on 31st March, 2016 and taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2016 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 given to us:
  - i. Company does not have any pending litigation which would impact its financial position;
  - ii. Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses

**For GHOSH KHANNA AND CO.**  
**Chartered Accountants**  
**Firm Registration No. 003366N**

  
**(Deepti Manchanda)**  
**Partner**  
**Membership No. 517699**

**Place: New Delhi**  
**Date: 26.05.2016**



**ANNEXURE-I TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SWAGTAM TRADING AND SERVICES LIMITED [CIN No L51909DL1984PLC289131]**

(as referred in Paragraph 2 of Other Legal and Regulatory Matters in Independent Auditor's Report)

**REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUBSECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")**

We have audited the internal financial controls over financial reporting of Swagtam Trading and Services Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone 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. 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 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.

**AUDITORS' 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 Companies Act, 2013, 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 was 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 judgement, 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 authorizations of management and directors of the company; and
- 3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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, 2016, 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 GHOSH KHANNA AND CO.**  
**Chartered Accountants**  
**Firm Registration No. 003366N**

  
**(DeeptiManchanda)**  
**Partner**  
**Membership No. 517699**

**Place : New Delhi**  
**Date :26.05.2016**

