

Cityon Systems (India) Ltd.



Regd. Office :

215, Delhi Chambers, Delhi Gate, Delhi- 110002
CIN : U72900DL2004PLC126096
Phone No. : +91-11-41563395, 43667149
E-mail : info@cityonsystems.in, Website : www.cityonsystems.in

Ref. No.: CITYON/2016-17/

Date: - 30.09.2016

To,
The General Manager,
Department of Corporate Services,
Bombay Stock Exchange Limited, Mumbai
25th Floor, Phiroze Jeejeebhoy Towers
Dalal Street,
Mumbai - 400001

Dear Sir/Madam,

Sub.: Submission of Annual Report under Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Ref.: Scrip Code- 780013

Please find attached Annual Report of the Company for the Financial Year 2015-16 duly approved and adopted at Annual General Meeting of the Company held on Thursday, September 29, 2016 at 10:30 a.m. at the Registered Office of the Company at 215, Delhi Chambers, Delhi Gate, Delhi - 110002 as per provisions of the Companies Act, 2013.

This is for your information and records.

Thanking You,

Your's Faithfully,

For Cityon Systems (India) Limited

A handwritten signature in blue ink, appearing to read "Ravi Kumar Sablok", is written over the text "For Cityon Systems (India) Limited".

Managing Director
(Ravi Kumar Sablok)
DIN: 07241345
Address: Flat No.-29, Pushpanjali Garden, Agra- 282005

Encl.: as above

CITYON

ANNUAL REPORT 2015-16

CITYON SYSTEMS (INDIA) LIMITED

CIN: U72900DL2004PLC126096

REGD. OFF.: 215, DELHI CHAMBERS, DELHI GATE, DELHI - 110002

Ph. No.: 011-41563395, Tele Fax: 011-43667149, 08800997149

E-mail: info@cityonsystems.in, Website: cityonsystems.in

BOARD OF DIRECTORS

Mr. Ravi Kumar Sablok <i>Managing Director</i>	(DIN: 07241345)
Mr. Mukesh Kumar <i>Whole Time Director</i>	(DIN: 06573251)
Mr. Ankur Agarwal <i>Whole Time Director</i>	(DIN: 06598310)
Mr. Gaya Prasad Gupta <i>Director</i>	(DIN: 00335302)
Mr. Om Prakash Agarwal <i>Director</i>	(DIN: 03358726)
Mr. Abhishek Tandon <i>Director</i>	(DIN: 03530860)
Mr. Anoop Srivastava <i>Director</i>	(DIN: 06571462)
Kavita Awasthi <i>Director</i>	(DIN: 03106803)

Ms. Disha Bajpai
Company Secretary

Auditors:

Mr. Jalaj Agarwal
J Agarwal & Associates
124, Z-1, Hemant Vihar,
Barra - 2, Kanpur - 208027

Registered Office:

215, Delhi Chambers, Delhi Gate, Delhi - 110002

CIN: U72900DL2004PLC126096

Registrar & Transfer Agent:

SKYLINE FINANCIAL SERVICES PVT. LTD.
D-153/A, 1st Floor, Okhla, Industrial area,
Phase 1, New Delhi - 110020
Ph. Nos.: 011-26812681-83/64732681-88
E-mail: admin@skylinerta.com

Bankers

Indusind Bank
Axis Bank

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NOTICE

Notice is hereby given that Annual General Meeting of Shareholders of Cityon Systems (India) Limited (CIN: U72900DL2004PLC126096) will be held on Thursday, September 29, 2016 at 10:30 A.M. at the Registered Office of the Company at 215, Delhi Chambers, Delhi Gate, Delhi - 110002, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2016 and the Profit and Loss Account of the Company for the financial year ended on 31st March, 2016 and the Reports of Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Abhishek Tandon (DIN: 03530860), who retires by rotation and being eligible, offers himself for re-appointment.
3. To consider and if thought fit, to pass with or without modification(s), following resolution as an ordinary resolution:-

"RESOLVED THAT pursuant to the provisions of Section 139 of the Companies Act, 2013 ("Act") and other applicable provisions of the Act, if any and the Rules framed thereunder, as amended from time to time, the Company hereby ratifies appointment of M/s J Agarwal & Associates, Chartered Accountants (ICAI Firm Registration No. 002601C), as auditors of the Company to hold office from the conclusion of Annual General Meeting held in the year 2014 till the conclusion of Annual General Meeting of the Company to be held in the year 2017 at such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Auditors."

SPECIAL BUSINESS

4. To consider and if thought fit, to pass with or without modification, if any, the following resolution as a **Special Resolution**:-

"RESOLVED THAT pursuant to the provisions of Sections 196, 197 and any other applicable provisions of the Companies Act, 2013 ("Act") and the Rules made thereunder, as amended from time to time, read with Schedule V to the Act (including any statutory modifications or re-enactment thereof for the time being in force) and such other consents, sanctions and permission as may be required under law, if any, consent of the members of the Company be and are hereby accorded to approve appointment of Mr. Mukesh Kumar (DIN: 06573251), as Whole Time Director of the company, liable to retire by rotation subject to the condition that his tenure will not be effected by such retirement and will be re-appointed in the same meeting, for a period of 5 (Five) years effective from 1st day of June, 2016 to 31st day of May, 2021 on the following terms and conditions:-

I) **Salary**

Consolidated salary to extent of Rs. 50,000.00 p.m.

II) **Perquisites**

As per policy of the Company

"RESOLVED FURTHER THAT the Board of Directors of the company (which term shall be deemed to include the Nomination & Remuneration Committee or any other Committee of the Board constituted to exercise its powers conferred by this resolution) be and is hereby authorized and empowered to approve annual increments in Salary paid or payable to Mr. Mukesh Kumar with effect from 1st April, or such other date as may be decided in each year within the maximum limit of consolidated salary to the extent of Rs. 50,000.00 p.m."

"RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during the term of office of the Whole Time Director, the Company will pay him remuneration by way of salary and perquisites not exceeding the ceiling laid down in Part II of Schedule V of the Companies Act, 2013 (including any statutory modification or re-enactment thereof, for time being in force) as may be applicable from time to time."

"RESOLVED FURTHER THAT the Whole Time Director will not be entitled to any sitting fee for the meetings of the company."

5. To consider and if thought fit, to pass with or without modification, if any, the following resolution as a **Special Resolution**:-

"RESOLVED THAT pursuant to the provisions of Sections 196, 197 and any other applicable provisions of the Companies Act, 2013 ("Act") and the Rules made thereunder, as amended from time to time, read with Schedule V to the Act (including any statutory modifications or re-enactment thereof for the time being in force) and such other consents, sanctions and permission as may be required under law, if any, consent of the members of the Company be and are hereby accorded to approve appointment of Mr. Ankur Agarwal (DIN: 06598310), as Whole Time Director of the Company, liable to retire by rotation subject to the condition that his tenure will not be effected by such retirement and will be re-appointed in the same meeting, for a period of 5 (Five) years effective from 1st day of June, 2016 to 31st day of May, 2021 on the following terms and conditions:-

I) Salary

Consolidated salary to extent of Rs. 50,000.00 p.m.

II) Perquisites

As per policy of the Company

"RESOLVED FURTHER THAT the Board of Directors of the company (which term shall be deemed to include the Nomination & Remuneration Committee or any other Committee of the Board constituted to exercise its powers conferred by this resolution) be and is hereby authorized and empowered to approve annual increments in Salary paid or payable to Mr. Ankur Agarwal with effect from 1st April, or such other date as may be decided in each year within the maximum limit of consolidated salary to the extent of Rs. 50,000.00 p.m."

"RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during the term of office of the Whole Time Director, the Company will pay him remuneration by way of salary and perquisites not exceeding the ceiling laid down in Part II of Schedule V of the Companies Act, 2013 (including any statutory modification or re-enactment thereof, for time being in force) as may be applicable from time to time."

"RESOLVED FURTHER THAT the Whole Time Director will not be entitled to any sitting fee for the meetings of the company."

6. To consider and if thought fit, to pass with or without modification, if any, the following resolution as a **Special Resolution**:-

"RESOLVED THAT pursuant to Section 186 and all other applicable provisions of the Companies Act, 2013, if any, and the rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the provisions of the Memorandum and Articles of Association of the Company and other necessary approvals, if any, and to the extent required, the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall include any of its duly authorised committee(s) or one or more Directors) to (i) give any loans to any person(s) or other body corporate(s), or (ii) give any guarantees or to provide security in connection with a loan to any other body corporate(s) or person(s), or (iii) acquire by way of subscription, purchase or otherwise, the securities of any other body corporate(s) exceeding sixty percent of Company's paid up capital and its free reserves and securities premium account or one hundred percent of its free reserves and securities premium account, provided that the total loans or investments made, guarantees given, and securities provided shall not exceed an aggregate amount of Rs. 200 Crores."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to take all such actions and to give all such directions as may be necessary or desirable and also to settle any question or difficulty that may arise in regard to the proposed investments or loans or guarantees or securities and to do all such acts, deeds, matters and things and to execute all such deeds, documents and writings as may be necessary, desirable or expedient in connection therewith."

"RESOLVED FURTHER THAT earlier investments / loans / guarantees or securities provided in connection with a loan as covered with in the ambit of Section 186 of the Companies Act, 2013 or under Section 372A of the Companies Act, 1956, be and are hereby confirmed and ratified."

7. To consider and if thought fit, to pass with or without modification, if any, the following resolution as a **Special Resolution**:-

"RESOLVED THAT pursuant to the provisions of Section 188 and all other applicable provisions, if any, of the Companies Act, 2013 (the Act) subject to the such consent, sanction, permission or approval as may be necessary, consent of the members of the company be and is hereby accorded to the Board of Directors of the Company to enter into contracts and/or arrangements with related parties as defined under the Act in the ordinary course of business at fair market price and arm's length with respect to sale, purchase or supply of any goods or materials, selling or otherwise disposing of, or buying, leasing of property of any kind, availing or rendering of any services, appointment of agent for purchase or sale of goods, materials, services or property or appointment of such related party to any office or place of profit in the Company or its subsidiary, if any, or associate Company, if any, or any other transaction of whatever nature with related parties."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and execute all deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all acts, deeds, matters and things that may be necessary, proper, expedient or incidental thereto for the purpose of giving effect to this resolution."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to determine the actual sums to be involved in the proposed transaction(s) and the terms and conditions related thereto and to settle or resolve all other matters arising out of or incidental to the proposed transaction(s) and to do all acts, deeds, matters and things that may be necessary, proper, expedient or incidental thereto for the purpose of giving effect to this resolution."

"RESOLVED FURTHER THAT all earlier contracts or arrangements as defined under Section 188 of the Companies Act, 2013 read with rules made thereunder or under Section 294, 294A of the erstwhile Companies Act, 1956 made by the Board of Directors of the Company on behalf of the Company be and are hereby confirmed and ratified being in ordinary course of business and at arm's length basis."


8. To consider and if thought fit, to pass with or without modification, if any, the following resolution as a **Special Resolution**:-

"RESOLVED THAT pursuant to the provisions of Section 180(1) (c) and other applicable provisions, if any, of the Companies Act, 2013 read with rules made thereunder (including all its statutory enactment(s) or modification(s) made therein from time to time for time being in force) the Board of Directors of the Company (hereinafter called the "Board" which term shall be deemed to include person(s) authorized and / or committee (s) which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution) be and are hereby authorized to borrow any sum or sums of money from time to time on such terms and conditions and with or without security as the Board may think fit which, together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business), may exceed the aggregate for the time being of the paid-up capital and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount of money/moneys so borrowed by the Board shall not at any point of time exceed the limit of Rs. 100 Crores (Rupees Hundred Crores Only)."

"RESOLVED FURTHER THAT the Board (the term Board may include any committee already constituted or constituted thereafter or any person(s) be and is hereby authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual, or otherwise, if any required, in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and execute all deeds, applications, documents and writings that may be required, on behalf of the Company and to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to this resolution."

"RESOLVED FURTHER THAT earlier loans under Section 180(1) (c) of the Companies Act, 2013 or under Section 293(1) (d) of the erstwhile Companies Act, 1956 made by the Board of Directors on behalf of the Company be and are hereby confirmed and ratified."

For Cityon Systems (India) Limited


Company Secretary
M. No. A37897

Place: - Delhi
Date: - 29.08.2016

NOTES:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Business to be transacted at the Annual General Meeting is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL ON HIS / HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Pursuant to Section 105 of the Companies Act, 2013, a person can act as a Proxy on behalf of not more than fifty members holding in aggregate, not more than ten percent of the total share capital of the Company. Members holding more than ten percent of the total share capital of the Company may appoint a single person as Proxy, who shall not act as a Proxy for any other Member. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this Report. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.
3. Corporate Members intending to send their authorized representatives to attend the meeting are requested to send to the Company, a certified copy of the Board Resolution authorising their representative to attend and vote in their behalf at the Meeting.
4. The Register of Members and Share Transfer Books of the Company will be closed from Friday, September 23, 2016 to Thursday, September 29, 2016, both days inclusive.
5. In case of joint holder attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. Copies of all documents referred to in the notice are available for inspection at the registered office of the Company during normal business hours on all working days, Except Saturdays, Sundays and Public Holidays, between 11:00 a.m. to 1:00 p.m. upto date of the annual general meeting of the Company.

7. Members seeking any information with regard to accounts are requested to write to the Company Secretary at least ten days in advance of annual general meeting, to enable the Company to keep the information ready.
8. Members are requested to:
 - a. Bring their copy of the annual report and attendance slip for the meeting.
 - b. Note that all correspondence relating to share transfers should be addressed to Registrar and Transfer Agent of the Company, viz. Skyline Financial Services Private Limited, at D-153, 1st Floor, Okhla Industrial Area, Phase-1, New Delhi - 110020.
 - c. Quote their DP ID No. /Client ID No. or folio number in all their correspondence.
9. Members are requested to notify immediately any change in their addresses to the Company's Registrar and Share Transfer Agents, Skyline Financial Services Private Limited for shares held in physical form and to their respective Depository Participants (DP) for shares held in electronic form.
10. SEBI and the Ministry of Corporate Affairs encourages paperless communication as a contribution to greener environment. Members holding shares in physical mode are requested to register their e-mail ID's with Skyline Financial Services Private Limited, the Registrars & Share Transfer Agents of the Company and Members holding shares in demat mode are requested to register their e-mail ID's with their respective Depository Participants (DPs) in case the same is still not registered. If there is any change in the e-mail ID already registered with the Company, members are requested to immediately notify such change to the Registrars & Share Transfer Agents of the Company in respect of shares held in physical form and to DPs in respect of shares held in electronic form.
11. The annual report 2015-16 containing notice of annual general meeting, attendance slip, proxy form is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories and also physical copies are being sent to all shareholders by the permitted mode.

Information of Directors being appointed/re-appointed as required under Regulation 36 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard -2:-

Name of the Director(s)	Mr. Abhishek Tandon	Mr. Mukesh Kumar	Mr. Ankur Agarwal
Date of Birth	14/03/1983	20/10/1959	26/10/1986
Date of Appointment on the Board	21/05/2013	04/05/2013	04/06/2013
Number of Shares held in the Company	-	2687332	2950788
Number of Meetings of the Board attended/held	5	8	8
Directorships held in other public companies (excluding foreign companies and Government Bodies)	Nil	Nil	Nil
Chairman/Member in the committees of the Boards of Companies in which he is Director (includes only Audit Committee, Stakeholder relationship Committee and Nomination and Remuneration Committee)	Nil	Member in Audit Committee of the Company	Nil

EXPLANATORY STATEMENT

The following Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013 ("Act"), sets out all material facts relating to the business mentioned at Item Nos. 4 to 8 of the accompanying Notice dated August 29, 2016:

Item No. 4: -

The Board of Directors at their meeting held on 28th May, 2016, appointed Mr. Mukesh Kumar as Whole Time Director of the Company for a period of five (5) years commencing from June 1, 2016 to May 31, 2021 on recommendation of Nomination and Remuneration Committee of the Company at such terms and conditions which are specified in resolution at a remuneration of Rs. 50,000 p.m. subject to approval of the Members of the Company held after their appointment by the Board of Directors, henceforth, the Board of Directors of the Company is recommending the appointment of Mr. Mukesh Kumar as Whole Time Director of the Company for a period of 5 years commencing from June 1, 2016 to May 31, 2021.

The Statement containing information as required under Schedule V to the Companies Act, 2013, to the extent applicable, is given hereunder:

I. General Information :

- (1) Nature of Industry – The Company is engaged in the trading business.
- (2) Date of Commencement of Business –the Company was incorporated on 27.04.2004 as Private Limited, hence, it started its business since its incorporation.
- (3) Financial Performance based on given indicators: The company earned a net profit of Rs. 4,33,561.00 for the year ended March 31, 2016 as compared to net profit of Rs. 3,78,262.00 during the previous year.
- (4) Foreign Investments or Collaborators – There were no foreign investments during the year 2015-16 but Company had made collaborations/tie-ups with foreign buyer and seller that are still exists.

II. Information about the Appointee:

- (1) Background Details – Mr. Mukesh Kumar is actively involved in day to day business activities of the Company since last 3 years. With his efforts and decision making process, the company has its recognition in trading sector throughout country.

Basically, Mr. Mukesh Kumar is commerce graduate and he has experience of more than 22 years. He has very good understanding of trading market. His strength also includes strong relationship management, international alliances/tie ups and business development.

- (2) Past Remuneration –Mr. Mukesh Kumar was getting monthly remuneration of Rs. 24,000.
- (3) Job profile and his suitability – Mr. Mukesh Kumar is involved in day to day business affairs of the Company. Mr. Mukesh Kumar has managed the

company's business in very effective and efficient manner. The challenging business environment requires review of operations, monitoring and decision making on day to day basis besides strategic guidance and advice on ongoing basis for upgradation and expansion/diversification activities in which the company would be immensely benefitted by his matured and timely advise.

- (4) Remuneration Proposed – Present remuneration is similar with old remuneration in all respects including all its perquisites but overall monthly remuneration paid or payable to Mr. Mukesh Kumar will be to the extent of Rs. 50,000.00 until further approval of Members of the Company are taken subject to the conditions specified in Schedule V to the Companies Act, 2013.
- (5) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person - The executive remuneration in the industry is on rise. The Nomination & Remuneration Committee constituted by the Board perused remuneration of managerial personnel in the trading sector and other companies comparable with the size of the company, industry benchmark in general, and accorded due cognizance to all these factors before approving the remuneration as proposed here in above. Considering qualifications, background, experience and competence of Mr. Mukesh Kumar and the responsibility shouldered by him as Whole Time Director, in terms of remuneration are considered to be fair, just and reasonable.
- (6) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel – Mr. Mukesh Kumar is one of the main promoter of the Company with another promoter his son Mr. Ankur Agarwal, and who is also Whole Time Director of the Company.

III. Other Information:

- (1) Reasons for Inadequate Profit: As the company is in trading sector and the performance of the company was not satisfactory due to up and down in trading market & high competition in trading sector.
- (2) Steps or proposed to be taken for improvement: The Company has initiated several steps for restoring profitability by considering diversification its business into new trading sectors / activities from time to time. The company has also initiated various measures towards achieving organizational and operating efficiencies and strengthening core competencies. With the above steps, the company is expected to perform reasonably well in future by focusing on new areas and by exploring its business activities.
- (3) Expected increase in productivity and profits in measurable terms - In addition to steps proposed to be taken for improvement as detailed above, key focus areas would be profit maximization, operational efficiencies, cost and working capital containment. Barring unforeseen circumstances, the overall outlook for the next years seems to be positive and the management is optimistic of achieving improvements in the company's performance. However, it is extremely difficult in present scenario to predict profits in measurable terms but the above initiatives are expected to improve productivity and profitability.

IV. Disclosures:

The required disclosures as to remuneration package, etc. are appropriately made in the report on Corporate Governance annexed to and forming a part of Annual Report every year, which may be referred to.

Keeping in view the qualifications, rich and varied experience and managerial skills of Mr. Mukesh Kumar, the Board of Directors recommends the passing of the proposed resolution as a special resolution in compliance with provisions of the Companies Act, 2013 read with rules made thereunder.

None of Directors are interested except Mr. Mukesh Kumar with his son Mr. Ankur Agarwal as Director(s) and shareholder(s) of the Company.

The Board recommends the resolution as set out at Item No. 4 of the Notice for approval by the Members of the Company.

Item No. 5: -

The Board of Directors at their meeting held on 28th May, 2016, appointed Mr. Ankur Agarwal as Whole Time Director of the Company for a period of five (5) years commencing from June 1, 2016 to May 31, 2021 on recommendation of Nomination and Remuneration Committee of the Company at such terms and conditions which are specified in resolution at a remuneration of Rs. 50,000 p.m. subject to approval of the Members of the Company held after their appointment by the Board of Directors, henceforth, the Board of Director of the Company is recommending the appointment of Mr. Ankur Agarwal as Whole Time Director of the Company for a period of 5 years commencing from June 1, 2016 to May 31, 2021.

The Statement containing information as required under Schedule V to the Companies Act, 2013, to the extent applicable, is given hereunder:

I. General Information :

- (1) Nature of Industry – The Company is engaged in the trading business.
- (2) Date of Commencement of Business –the Company was incorporated on 27.04.2004 as Private Limited, hence it started its business since its incorporation.
- (3) Financial Performance based on given indicators: The company earned a net profit of Rs. 4,33,561.00 for the year ended 31st March, 2016 as compared to net profit of Rs. 3,78,262.00 during the previous year.
- (4) Foreign Investments or Collaborators – There were no foreign investments during the year 2015-16 but Company had made collaborations/tie-ups with foreign buyer and seller that are still exists.

II. Information about the Appointee:

- (1) Background Details – Mr. Ankur Agarwal is actively involved in day to day business activities of the company since last 3 years. With his efforts and decision making process, the company has its recognition in trading sector throughout country.

Basically, Mr. Ankur Agarwal is post graduate in commerce and he is actively involved in trading business since last 3 years. He has very good understanding of Trading market. His strength also includes strong relationship management, international alliances/tie ups and business development.

- (2) Past Remuneration –Mr. Ankur Agarwal was getting monthly remuneration of Rs. 23,000.
- (3) Job profile and his suitability – Mr. Ankur Agarwal is involved in day to day business affairs of the Company. Mr. Ankur Agarwal has managed the company's business in very effective and efficient manner. The challenging business environment requires review of operations, monitoring and decision making on day to day basis besides strategic guidance and advice on ongoing basis for upgradation and expansion/diversification activities in which the company would be immensely benefitted by his matured and timely advise.
- (4) Remuneration Proposed – Present remuneration is similar with old remuneration in all respects including all its perquisites but overall monthly remuneration will be paid to the extent of Rs. 50,000.00 until further approval of Members of the Company are taken subject to the conditions specified in Schedule V to the Companies Act, 2013.
- (5) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person - The executive remuneration in the industry is on rise. The Nomination & Remuneration Committee constituted by the Board perused remuneration of managerial personnel in the trading sector and other companies comparable with the size of the company, industry benchmark in general, and accorded due cognizance to all these factors before approving the remuneration as proposed here in above. Considering qualifications, background, experience and competence of Mr. Ankur Agarwal and the responsibility shouldered by him as Whole Time Director, in terms of remuneration are considered to be fair, just and reasonable.
- (6) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel – Mr. Ankur Agarwal is one of the main promoter of the Company with his father Mr. Mukesh Kumar, and who is also Whole Time Director of the Company.

III. Other Information:

- (1) Reasons for Inadequate Profit: As the company is in trading sector and the performance of the company was not satisfactory due to up and down in trading market & high competition in trading sector.
- (2) Steps or proposed to be taken for improvement: The Company has initiated several steps for restoring profitability by considering diversification its business into new trading sectors / activities from time to time. The company has also initiated various measures towards achieving organizational and operating efficiencies and strengthening core competencies. With the above steps, the company is expected to perform reasonably well in future by focusing on new areas and by exploring its business activities.

- (3) Expected increase in productivity and profits in measurable terms - In addition to steps proposed to be taken for improvement as detailed above, key focus areas would be profit maximization, operational efficiencies, cost and working capital containment. Barring unforeseen circumstances, the overall outlook for the next years seems to be positive and the management is optimistic of achieving improvements in the company's performance. However, it is extremely difficult in present scenario to predict profits in measurable terms but the above initiatives are expected to improve productivity and profitability.

IV. Disclosures:

The required disclosures as to remuneration package, etc. are appropriately made in the report on Corporate Governance annexed to and forming a part of Annual Report every year, which may be referred to.

Keeping in view the qualifications, rich and varied experience and managerial skills of Mr. Ankur Agarwal, the Board of Directors recommends the passing of the proposed resolution as a special resolution in compliance with provisions of the Companies Act, 2013 read with rules made thereunder.

None of Directors are interested except Mr. Ankur Agarwal with his father Mr. Mukesh Kumar as Director(s) and shareholder(s) of the Company.

The Board recommends the resolution as set out at Item No. 5 of the Notice for approval by the Members of the Company.

Item No. 6: -

As per the provisions of Section 186 (b) of the Companies Act, 2013, no company shall directly or indirectly (a) give any loan to any person or other body corporate; (b) give any guarantee or provide security in connection with a loan to any other body corporate or person; and (c) acquire by way of subscription, purchase or otherwise, the securities of any other body corporate, exceeding sixty per cent of its paid-up share capital, free reserves and securities premium account or one hundred per cent of its free reserves and securities premium account, whichever is more.

Where such giving of any loan or guarantee or providing any security or the acquisition exceeds the limits specified under Section 186 of the Companies Act, 2013 prior approval by means of a special resolution passed at a general meeting is necessary.

As a measure of achieving greater financial flexibility and to enable optimal financing structure, this permission is sought pursuant to the provisions of Section 186 of the Companies Act, 2013 read with Section 372A of the erstwhile Companies Act, 1956 to give powers to the Board of Directors or any duly constituted committee thereof, for making further investment, providing loans or give guarantee or provide security in connection with such loans for an amount not exceeding Rs. 200 Crores over and above aggregate of paid up share capital and free reserves including securities premium. Further, in order to give validity of earlier loans/advances/investments/guarantee or security under Section 186 or under Section 372A, your approval is being sought for ratification of such transactions.

Accordingly, the consent of the Members by way of Special Resolution is being sought under the provisions of Section 186 of the Companies Act, 2013 to give powers to the Board of Directors or any duly constituted committee thereof, for making further investments, providing loans or give guarantee or provide security in connection with

loans for an amount not exceeding the limit of Rs. 200 Crores over and above aggregate of paid up share capital and free reserves including securities premium.

None of the Directors, Key managerial personnel or their relative is any way concerned or interested in this resolution except as Director or Shareholder himself or through their relatives.

The Board recommends the resolution as set out at Item No. 6 of the Notice for approval by the Members of the Company.

Item No. 7: -

The Board of Directors of the Company are always making efforts to regulate and monitor all transactions with the related party(ies) though all the transactions are being in ordinary course of business and at arm's length basis only. wherever, it is proposed to enter into any transaction with related party (ies) not being in ordinary course of business and or/ not at arm's length basis and in excess of the limits prescribed under the Rule 15 of Companies (Meeting of Board and its powers) Rules, 2014, it will be subject to further approval of members of the company as required under Section 188 of the Companies Act, 2013 read with rules made thereunder. All earlier transactions entered into by company with related party under Section 188 or Section 294 or 294A or any other provisions of the erstwhile Companies Act, are being hereby confirmed and ratified which were entered in ordinary course of business and at arm's length basis.

The proposed resolution is in the interest of the Company and Board of Directors of the Company recommend this resolution set out in the notice as Special Resolution and Board further recommend to ratify all earlier contracts or arrangements entered with related as defined under Section 188 of the Companies Act, 2013 or under Section 294, 294A or any other provisions of the Companies Act, 1956 which were entered in ordinary course of business and at arm's length basis.

None of the Directors, Key managerial personnel or their relative is any way concerned or interested in this resolution except as Director or Shareholder himself or through their relatives.

The Board recommends the resolution as set out at Item No. 7 of the Notice for approval by the Members of the Company.

Item No. 8: -

In accordance with the provisions of section 180(1)(c) of Companies Act, 2013, the Board of Directors of the company make borrowings as and when necessary for the working capital requirements and for the smooth running of the business of the company on such terms and conditions as may deem fit. In view of the potential growth of the business of the company and anticipated need of additional funds that may be required in the near future, it was considered essential to borrow funds from diverse sources for various business activities/initiatives under taken by the company, consequent to which the amount so borrowed and outstanding either has exceeded or about to exceed the limit as prescribed under Section 180(1) (c) of the Companies Act, 2013 read with Section 293(1) (d) of the erstwhile Companies Act, 1956.

Pursuant to the provisions of aforesaid Section, approval of the shareholders is required to be taken by way of special resolution in general meeting if the money borrowed, together with the money already borrowed by the company exceeds the limit of:

- One hundred percent of its paid up share capital and free reserve, apart from the temporary loans obtained by the company's bankers in the ordinary course of business.

To meet out the future fund requirements for the company, if any, the Board of Directors are seeking your approval by way of passing Special resolution so that the provisions of Section 180 could be better complied and all the transaction done or to be done by the company pursuant to Section 180(1) (c) or under Section 293 (1) (d) and to comply with the requirements of the said Section(s), your directors recommend the resolution as set out in the Item no. 8 of the notice to be passed as Special Resolution.

Your approval is being sought by voting on this resolution pursuant to the provisions of Section 180(1) of Companies Act, 2013.

None of the Directors, Key managerial personnel or their relative is any way concerned or interested in this resolution except as Director or Shareholder himself or through their relatives.

The Board recommends the resolution as set out at Item No. 8 of the Notice for approval by the Members of the Company.

For Cityon Systems (India) Limited



Company Secretary
M. No. A37897

Place: - Delhi

Date: - 29.08.2016

DIRECTOR'S REPORT

Your Directors have pleasure in presenting the Annual Report together with the Audited Statement of Accounts for the year ended on 31st March, 2016.

FINANCIAL RESULTS:

Financial Results of the Company for the year under review alongwith figures for the previous year are as follows:

PARTICULARS	Amount in (Rs.)	
	FINANCIAL YEAR ENDED 31.03.2016	31.03.2015
Total Revenue	63264195.00	68394266.00
Total Expenses	63042912.00	67847004.00
Profit before Depreciation and Tax (PBT)	640321.00	618176.00
Less: Depreciation	14805.00	70914.27
Profit before Tax	625516.00	547262.00
Less: Provision for taxation	191955.00	169000.00
Profit after Tax (PAT)	433561.00	378262.00
EPS (Basic)	0.03	0.02
Diluted	0.03	0.02

DEPOSITS:

The Company has no public deposits as of date and will not accept any deposits without prior approval of the Statutory Authorities concerned.

DIVIDEND:

In order to conserve the resources of the Company, the Board of Directors does not recommend any dividend.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

The particulars of loans or guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013 have been disclosed in the financial statements.

STATE OF THE COMPANY'S AFFAIRS AND NATURE OF BUSINESS:

Since last, there were no changes in the State of company's affairs and there have been no change in nature of business of the Company during the Year.

TRANSFER TO RESERVES:

The Company earned Net Profit of Rs. 4,33,561.00 during the Financial Year 2015-16 and this amount has been transferred to General Reserves during the Year.

MATERIAL CHANGES AND COMMITMENTS:

There have been no material changes and commitments during the year.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Auditors is subject to provisions of the Companies Act, 2013 and rules made thereunder. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board and to the Chairman & Managing Director.

The Internal Audit Department monitors and evaluates the efficiency and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies of the Company. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board.

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Directors:

Mr. Abhishek Tandon (DIN: 03530860) retires by rotation and being eligible offers himself for re-appointment. Your Directors recommend his re-appointment.

The Board of Directors at their meeting held on May 28, 2016 approved appointment of Mr. Mukesh Kumar and Mr. Ankur Agarwal as Whole Time Directors of the Company for a period of 5 years commencing from June 1, 2016 to May 31, 2021 subject to the approval of the members of the Company.

The Nomination and Remuneration Committee at their meeting held on May 2, 2016 approved appointment of Mr. Mukesh Kumar and Mr. Ankur Agarwal as Whole Time Directors of the Company for a period of 5 years commencing from June 1, 2016 to May 31, 2021 subject to the approval of the Members of the Company.

On the recommendation of the Board of Directors, the Members of the Company at the Annual General Meeting held on September 29, 2015 approved appointment of:

- (a) Mrs. Kavita Awasthi as Independent Director of the Company for 5 years commencing from March 27, 2015.
- (b) Mr. Ravi Kumar Sablok as Director whose appointment as Additional Director was made the Board at their meeting held on July 24, 2015.
- (c) Ravi Kumar Sablok as Managing Director of the Company for 3 years effective from July 27, 2015 to July 26, 2018.

Declaration by the Independent Directors of the Company:

Your Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and under Regulation 16 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and there has been no change in the circumstances from last Financial Year which may affect their status as Independent Director during the year.

As required under Regulation 36 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the particulars of the Directors proposed for appointment/re-appointment has been given in the Notice of the Annual General Meeting.

Key Managerial Personnel:

There have been changes in Key Managerial Personnel(s) during the financial year 2015-16, Details are given as under:

S. No.	Name	Designation	Date of Appointment	Date of Resignation
1	Mr. Ravi Kumar Sablok	Managing Director	27/07/2015	Continuing
2	Mr. Ashok Kumar Sharma	Chief Financial Officer	02/02/2015	Continuing
3	Mr. Sunil Kumar Tripathy	Company Secretary cum Compliance Officer	23/10/2013	01/01/2016
4	Ms. Disha Bajpai	Company Secretary cum Compliance Officer	01/01/2016	Continuing

The Board of Directors of the Company appointed Mr. Ravi Kumar Sablok as Managing Director of the Company under category of Key Managerial Personnel for 3 years effective from 27/07/2015 to 26/07/2018.

Board Evaluation:

The Board of Directors has carried out an annual evaluation of its own performance, Board committees and individual directors pursuant to the provisions of the Companies Act, 2013 read with rules made thereunder and under Regulation 16 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The performance of the Board was evaluated by the Board after seeking inputs from all the Directors on the basis of the criteria such as the Board composition and structure, effectiveness of Board processes, information and functioning, etc.

The performance of the committees was evaluated by the Board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc.

The Board and the Nomination and Remuneration Committee ("NRC") reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the Chairman was also evaluated on the key aspects of his role.

In a separate meeting of independent Directors, performance of non-independent directors, performance of the board as a whole and performance of the Chairman was evaluated, taking into account the views of executive directors and non-executive

directors. The same was discussed in the board meeting that followed by the meeting of the independent Directors, at which the performance of the Board, its committees and individual directors was also discussed.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, state the following:

- a. that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b. that directors have selected such accounting policies and applied consistently and judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- c. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. The Directors have prepared the annual accounts on a going concern basis;
- e. The Directors have laid down such internal financial controls that are adequate and operating effectively;
- f. The Directors have devised systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

AUDITORS & AUDITOR'S REPORT:

Pursuant to the provisions of Section 139 of the Act and the rules framed thereunder, M/s J Agarwal & Associates, Chartered Accountants (ICAI Firm Registration No. 002601C), were appointed as statutory auditors of the Company from the conclusion of the annual general meeting (AGM) of the Company held in the year 2014 till the conclusion of the annual general meeting (AGM) to be held in the year 2017, subject to ratification of their re-appointment at every AGM.

The Company has received a letter from statutory auditors to the effect that their re-appointment, if made, would be within the provision prescribed under Section 139 of the Companies Act, 2013. Your Directors recommend their re-appointment.

The auditor's report does not contain any qualifications, reservations or adverse remarks and Notes to the financial statements referred in the Auditors Report are self-explanatory and therefore, do not call for any comments under Section 134 of the Companies Act, 2013.

SECRETARIAL AUDITOR'S REPORT:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the rules made thereunder, the Company had appointed Ms. Neha Jain, Practising Company Secretary, Kanpur to undertake the Secretarial Audit of the Company for the Financial Year 2015-16. The Secretarial Audit Report for financial year 2015-16 is annexed, which forms part of this report as **Annexure-A**. With regard to comments of Secretarial Auditor, we wish to state that due to non-functioning of MCA Portal and our system, the same escaped the attention to be filed. However, we shall file the same as soon as possible.

RELATED PARTY TRANSACTIONS:

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of the business. Further, there were no materially significant with the related party transactions during the year made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons. Since, there were no material contracts/arrangements made during the year, and all such contracts/arrangements were made in ordinary course of business and at arm's length basis and details of such transactions have been given in financial statements of the Company and this fact has been mentioned in attached **Annexure-B in FORM AOC-2**. Details of all such contracts/arrangements are available for inspection at the Registered Office of the Company till ensuing Annual General Meeting and if any, member is interested in inspecting the same, such member may write to the Company Secretary in advance.

CODE OF CONDUCT:

All the Members of the Board and all the employees of the Company have followed the policy of Code of Conduct in the course of day to day business operations of the Company. The Code has been placed on the Company's website www.cityonsystems.in.

The Code lays down the standard procedure of business conduct which is expected to be followed by the Directors and the designated employees in their business dealings and in particular on matters relating to integrity in the work place, in business practices and in dealing with stakeholders.

All the Board Members and the Senior Management personnel have confirmed compliance with the Code.

SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES:

There are no Subsidiaries, Joint Ventures or Associate Companies.

DISCLOSURES:

Audit Committee:

The Audit Committee comprises of Independent Directors namely Mr. Om Prakash Agarwal, Mr. Gaya Prasad Gupta, Mr. Anoop Srivastava and Mr. Mukesh Kumar as Executive Director of the Company.

The Audit Committee played an important role during the year. It coordinated with the Statutory Auditors, Internal Auditors and other key Managerial Personnel of the Company and has rendered guidance in the areas of internal audit and control, finance and accounts.

All the recommendations made by the Audit Committee were accepted by the Board. Four meetings of the Audit Committee were held during the year.

Stakeholders Relationship Committee:

The Committee has met four times during the year, the Committee overlook the usual requests received for Dematerialization, transfer/transmission of shares and resolved or answered the complaints of members.

Nomination and Remuneration Committee:

The Nomination and Remuneration Committee recommends to the Board the suitability of candidates for appointment as Key Managerial Personnel, Directors and the remuneration packages payable to them and other employees. The Nomination and Remuneration met **four times** during the year.

Vigil Mechanism / Whistle Blower Policy:

The Company is committed to the high standards of Corporate Governance and stakeholder responsibility. The Company has established a vigil mechanism to be known as the 'Whistle Blower Policy' for its Directors and employees, to report instances of unethical behaviour, actual or suspected, fraud or violation of the Company's Code of Conduct. The aim of the policy is to provide adequate safeguards against victimization of whistle blower who avails of the mechanism and also provide direct access to the Chairman of the Audit Committee, in appropriate or exceptional cases.

Accordingly, 'Whistle Blower Policy' has been formulated with a view to provide a mechanism for the Directors and employees of the Company to approach the Ethics.

The purpose of this policy is to provide a framework to promote responsible and secure whistle-blowing. It protects employees willing to raise a concern about serious irregularities within the Company. •

Number of Meetings of the Board:

Eight meetings of the board were held during the year. For details of the meetings of the board, please refer to the corporate governance report, which forms part of this report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

Prevention of Insider Trading:

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company. The Board is responsible for implementation of the Code. All Board Directors and the designated employees have confirmed compliance with the Code.

Business Risk Management:

The main identified risks at the Company are business operating risks. Your Company has established a comprehensive business risk management policy to ensure the risk to the Company's continued existence as a going concern and to its development are

identified and addressed on timely basis. Risk management strategy as approved by the Board of Directors is implemented by the Company Management.

Corporate Social Responsibility Statement:

Provisions relating the Corporate Social Responsibility are not applicable on the Company.

Information Pursuant to Section 134 (3) of the Companies Act, 2013:

The information required pursuant to Section 197 read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request. In terms of Section 136 of the Act, the reports and accounts are being sent to the members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the members at the Registered office of the company during business hours on working days of the company up to the date of ensuing Annual General Meeting. If any, member is interested in inspecting the same, such member may write to the Company Secretary in advance.

Extract of Annual Return:

The details forming part of the extract of the Annual Return in Form MGT-9 are annexed to this Report as **Annexure-C**.

Independent Directors Meeting:

The Independent Directors met on 25th March, 2016, without the attendance of Non-Independent Directors and members of the Management. The Independent Directors reviewed the performance of non-independent directors and the Board as a whole; the performance of the Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors and assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Energy Conservation, Technology Absorption, Foreign Exchange Earnings and Outgo:

Particulars relating to conservation of energy and technology absorption stipulated in the Companies (Accounts) Rules, 2014 are not applicable on the Company.

During the year, there were no Foreign Exchange earnings and outgo.

Corporate Governance and Management Discussion and Analysis Report:

Separate reports on Corporate Governance compliance and Management Discussion and Analysis as required under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 which forms part of this Annual Report along with the Certificate from Statutory Auditors of the Company regarding compliance of the conditions of Corporate Governance as stipulated in Chapter IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In compliance with Corporate Governance requirements, your Company has formulated and implemented a Code of Business Conduct and Ethics for all Board members and senior management personnel of the Company, who have affirmed the compliance thereto.

Details of significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and company's operations in future:

There were no such order passed by the Regulations or Courts or Tribunals which may impact the going concern status and company's operations in future.

Disclosure under Sexual Harassment of Women:

The Company has Sexual Harassment Policy in place and available on the Company's website www.cityonsystems.in. During the year under review, there were no complaints from any of the employee.

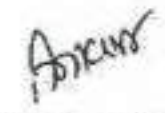
ACKNOWLEDGEMENTS:

Your directors take this opportunity to extend their thanks to the customers, business, partners, business associates and bankers of the Company for their continued support during the year. The directors also sincerely acknowledge the dedication and commitment of the employees of the company at all levels.

FOR CITYON SYSTEMS (INDIA) LIMITED

Place: Delhi
Date: 29.08.2016


(Ravi Kumar Sablok)
Managing Director
DIN: 07241345


(Ankur Agarwal)
Director
DIN: 06598310

NEHA JAIN
COMPANY SECRETARY

OFFICE NO. 811, 8TH FLOOR,
KAN CHAMBERS,
14/113 CIVIL LINES,
KANPUR - 208001 (UP)
PH - (0512) 2332397
EMAIL - nehajain115@gmail.com

SECRETARIAL AUDIT REPORT

For the Financial Year ended 31st March, 2016

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

TO,
THE MEMBERS,
CITYON SYSTEMS (INDIA) LIMITED
215, DELHI CHAMBERS, DELHI GATE,
NEW DELHI - 110002

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by CITYON SYSTEMS (INDIA) LIMITED (hereinafter called "the company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by "the company" and also the information provided by "the Company", its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has during the audit period covering the financial year ended on March 31st, 2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter -:



I have examined the books, papers, minute books, forms and returns filed and other records maintained by **CITYON SYSTEMS (INDIA) LIMITED** for the financial year ended on March 31st, 2016 according to the provisions of:

- i) The Companies Act, 2013 (The Act) and the Rules made there under;
- ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;



NEHA JAIN
COMPANY SECRETARY

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PH - (0512) 2332397
EMAIL - nehajain115@gmail.com

- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

I further report that, as per the management representation letter for Secretarial Audit, there is no specific law, applicable to the company.

I have also examined compliance with the applicable clauses of the following:

- a) Secretarial Standards issued by The Institute of Company Secretaries of India, as applicable w.e.f. 1st July, 2015;
- b) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to listing agreement entered into by the Company with Bombay Stock Exchange Limited (BSE).

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

The Form MGT-14 pursuant to Section 179(3)(d) and (f) is pending to be filed till the date of signing of this report. However, the aggregate of Loans and Investments is subject to the compliance with Section 186 of The Companies Act, 2013.

I further report that:-

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.



NEHA JAIN
COMPANY SECRETARY

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Adequate notices were given to all the directors to schedule the Board Meetings, agenda and detailed notes on agenda were also sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting member's views are captured and recorded as part of the minutes.

I further report that:-

There exist systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, there were no instances of:

- a) Public Issue/Rights Issue/ Debentures/Sweat Equity, etc;
- b) Redemption / buy-back of securities;
- c) Any major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013;
- d) Merger / amalgamation / reconstruction, etc;
- e) Foreign technical collaborations.

Date: 25/08/2016

Place: Kanpur

Neha Jain
Company Secretary

NEHA JAIN
COMPANY SECRETARY

C.P. No. 10628

FCS No.: 8123

C P No.: 10628

FORM NO. AOC -2

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto.

[Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014].

1. Details of contracts or arrangements or transactions not at arm's length basis: **N.A.**
 - (a) Name (s) of the related party & nature of relationship-
 - (b) Nature of contracts/arrangements/transactions-
 - (c) Duration of the contracts/arrangements/transactions-
 - (d) Salient terms of the contracts or arrangements or transaction including the value, if any-
 - (e) Justification for entering into such contracts or arrangements or transactions-
 - (f) Date(s) of approval by the Board-
 - (g) Amount paid as advances, if any;
 - (h) Date on which the special resolution was passed in General meeting as required under first proviso to Section 188-
2. Details of material contracts or arrangements or transactions at arm's length basis: *see note given below**.
 - (a) Name (s) of the related party & nature of relationship-
 - (b) Nature of contracts/arrangements/transactions-
 - (c) Duration of the contracts/arrangements/transactions-
 - (d) Salient terms of the contracts or arrangements or transactions including the value, if any-
 - (e) Date(s) of approval by the Board, if any;
 - (f) Amount paid as advances, if any;

**Note: all the contracts or arrangements or transactions were made in ordinary course of business and at arm's length basis during the financial year 2015-16 and there were no material contracts or arrangements or transactions and details of transactions with related party(ies) are given in Financial Statements for the financial year ended on 31.03.2016.*

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
 As on 31st March, 2016

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

1.	CIN	U72900DL2004PLC126096
2.	Registration Date	27/04/2004
3.	Name of the Company	CITYON SYSTEMS (INDIA) LIMITED
4.	Category/Sub-category of the Company	Company Limited By Shares / Trading Company
5.	Address of the Registered office & contact details	215, DELHI CHAMBERS, DELHI GATE, Delhi-110002 Telefax: +91-11-43667149
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Skyline Financial Services Private Limited D-153, 1 st Floor, Okhla Industrial Area Phase-1, New Delhi -110020 Tel : 011 -64732681-88 Fax: 011 -26812682 Email: admin@skylinerta.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:

Sl. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Cloth	464	39.63
2	Shares	661	29.41
3	Electric Items (Cable Box)	465	30.96

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES- N.A.

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/SUBSIDIARY/ASSOCIATE	% of shares held	Applicable Section
1	-	-	-	-	-
2	-	-	-	-	-

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	6281360	0	6281360	36.68	6281360	0	6281360	36.68	0.00
b) Central Govt.	0	0	0	0.00	0	0	0	0	0.00
c) State Govt(s)	0	0	0	0.00	0	0	0	0	0.00
d) Bodies Corp.	0	0	0	0.00	0	0	0	0	0.00
e) Banks / FI	0	0	0	0.00	0	0	0	0	0.00
f) Any other	0	0	0	0.00	0	0	0	0	0.00
Sub Total (A) (1)	6281360	0	6281360	36.68	6281360	0	6281360	36.68	0.00
(2) Foreign									
a) NRIs-Individuals	0	0	0	0.00	0	0	0	0	0.00
b) other-Individuals	0	0	0	0.00	0	0	0	0	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0	0.00
d) Banks/FI	0	0	0	0.00	0	0	0	0	0.00
e) Any Other...	0	0	0	0.00	0	0	0	0	0.00
Sub-total (A) (2)	0	0	0	0.00	0	0	0	0	0.00
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	6281360	0	6281360	36.68	6281360	0	6281360	36.68	0.00
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0.00	0	0	0	0	0.00
b) Banks / FI	0	0	0	0.00	0	0	0	0	0.00
c) Central Govt.	0	0	0	0.00	0	0	0	0	0.00
d) State Govt. (s)	0	0	0	0.00	0	0	0	0	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0	0.00
g) FIs	0	0	0	0.00	0	0	0	0	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0	0.00
i) Others (specify)	0	0	0	0.00	0	0	0	0	0.00
Sub-total (B)(1):-	0	0	0	0.00	0	0	0	0	0.00
2. Non-Institutions									

a) Bodies Corp.									
i) Indian	4266700	0	4266700	24.91	4665800	0	4665800	27.24	2.33
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	78800	0	78800	0.46	588000	0	588000	3.43	2.97
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	5476500	0	5476500	31.98	4614200	0	4614200	26.94	(5.04)
c) Others :									
Non Resident Indians	40000	0	40000	0.23	40000	0	40000	0.23	0.00
Hindu Undivided Family	975500	0	975500	5.70	924200	0	924200	5.40	(0.30)
Overseas Corporate Bodies	0	0	0	0.00	0	0	0	0	0.00
Foreign Nationals	0	0	0	0.00	0	0	0	0	0.00
Clearing Members	7500	0	7500	0.04	12800	0	12800	0.08	0.04
Trusts	0	0	0	0.00	0	0	0	0	0.00
Foreign Bodies - D R	0	0	0	0.00	0	0	0	0	0.00
Sub-total (B)(2):-	10845000	0	10845000	63.32	10845000	0	10845000	63.32	0.00
Total Public Shareholding (B)=(B)(1)+(B)(2)	10845000	0	10845000	63.32	10845000	0	10845000	63.32	0.00
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0	0.00
Grand Total (A+B+C)	17126360	0	17126360	100.00	17126360	0	17126360	100.00	-

(ii) Shareholding of Promoters:

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Ashok Kumar Sharma	2800	0.02	0.00	2800	0.02	0.00	0.00
2	Pranav Sarin	64240	0.38	0.00	64240	0.38	0.00	0.00
3	Sandeep Jindal	200400	1.17	0.00	200400	1.17	0.00	0.00
4	Om Prakash Jaiswal	200400	1.17	0.00	200400	1.17	0.00	0.00

5	Sanjay Kumar	175400	1.02	0.00	175400	1.02	0.00	0.00
6	Mukash Kumar	2687332	15.69	0.00	2687332	15.69	0.00	0.00
7	Ankur Agarwal	2950788	17.23	0.00	2950788	17.23	0.00	0.00
	Total	6281360	36.68	0.00	6281360	36.68	0.00	0.00

(iii) Change in Promoters' Shareholding

There was no change in Promoters Shareholding during the year.

(iv) Shareholding Pattern of top ten Shareholders

(Other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Name of the shareholders	Shareholding at the beginning of the year		Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweet equity etc.)			Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	Date	No. of Shares	Reason	No. of shares	% of total shares of the company
1	Cityon Nano Technology Private Limited	867900	5.07	01/05/2015 03/07/2015 04/09/2015 11/09/2015 02/10/2015 13/11/2015 18/03/2016 25/03/2016 31/03/2016	143600 9200 3300 4300 20000 5200 7800 11800 34500	Purchase Purchase Purchase Purchase Purchase Purchase Purchase Purchase Purchase	1011500 1020700 1024000 1028300 1048300 1053500 1061300 1073100 1107600	5.91 5.96 5.98 6.00 6.12 6.15 6.20 6.27 6.47
	At the end of the year (or on the date of separation, if separated during the year)						1107600	6.47
2	Bansal Suppliers Private Limited	593700	3.47	10/07/2015 31/07/2015 14/08/2015 02/10/2015 20/11/2015 19/02/2016 26/02/2016 11/03/2016 18/03/2016 31/03/2016	371300 3900 7600 40000 6800 6200 5700 6800 7700 6400	Purchase Purchase Purchase Purchase Purchase Purchase Purchase Purchase Purchase Purchase	965000 968900 976500 1016500 1023300 1029500 1035200 1042000 1049700 1056100	5.63 5.66 5.70 5.94 5.97 6.01 6.04 6.08 6.13 6.17
	At the end of the year (or on the date of separation, if separated during the year)						1056100	6.17
3	Nirbharant Management Consultants Private Limited	868000	5.07	01/05/2015 02/10/2015 31/03/2016	33400 80000 10000	Purchase Purchase Purchase	901400 981400 991400	5.26 5.73 5.79
	At the end of the year (or on the date of separation, if separated during the year)						991400	5.79
4	Cityon Infrastructure Private Limited	637400	3.72	01/05/2015 03/07/2015 02/10/2015	66289 145200 5000	Purchase Purchase Purchase	703689 848889 853889	4.11 4.96 4.99
	At the end of the year (or on the date of separation, if separated during the year)						853889	4.99
5	Next Orbit Ventures Fund	510000	2.98	No Change			510000	2.98
	At the end of the year (or						510000	2.98

	on the date of separation, if separated during the year)							
6	Harish Popli	280000	1.63	No Change			280000	1.63
	At the end of the year (or on the date of separation, if separated during the year)						280000	1.63
7	Vimal Banka	100000	0.58	08/01/2016	60000	Purchase	160000	0.93
	At the end of the year (or on the date of separation, if separated during the year)						160000	0.93
8	Amarjeet Kaur	120000	0.70	No Change			120000	0.70
	At the end of the year (or on the date of separation, if separated during the year)						120000	0.70
9	Ashish Talwar	120000	0.70	No Change			120000	0.70
	At the end of the year (or on the date of separation, if separated during the year)						120000	0.70
10	Ajay Agarwal	120000	0.70	No Change			120000	0.70
	At the end of the year (or on the date of separation, if separated during the year)						120000	0.70
11	Anil Kumar	120000	0.70	No Change			120000	0.70
	At the end of the year (or on the date of separation, if separated during the year)						120000	0.70
12	Monarch Network Capital Limited	346100	2.02	01/05/2015	45200	Purchase	391300	2.28
				10/07/2015	(371300)	Sale	20000	0.12
				24/07/2015	75000	Purchase	95000	0.55
				14/08/2015	6200	Purchase	101200	0.59
				11/09/2015	(4000)	Sale	97200	0.57
				19/02/2016	(97200)	Sale	0	0.00
				26/02/2016	97200	Purchase	97200	0.57
	At the end of the year (or on the date of separation, if separated during the year)						97200	0.57
13	Horizon Portfolio Limited	234600	1.37	01/05/2015	146300	Purchase	380900	2.22
				08/05/2015	4200	Purchase	385100	2.25
				15/05/2015	5000	Purchase	390100	2.28
				19/06/2015	3800	Purchase	393900	2.30
				26/06/2015	3000	Purchase	396900	2.32
				03/07/2015	(124400)	Sale	272500	1.59
				10/07/2015	22500	Purchase	295000	1.72
				17/07/2015	6500	Purchase	301500	1.76
				24/07/2015	(11500)	Sale	290000	1.69
				31/07/2015	1100	Purchase	291100	1.70
				07/08/2015	21300	Purchase	312400	1.82
				14/08/2015	8900	Purchase	321300	1.88
				21/08/2015	7000	Purchase	328300	1.92
				04/09/2015	(3300)	Sale	325000	1.90
				11/09/2015	(1300)	Sale	323700	1.89
				18/09/2015	10500	Purchase	334200	1.95
				02/10/2015	(283000)	Sale	51200	0.30
				09/10/2015	4600	Purchase	55800	0.33
				30/10/2015	10000	Purchase	65800	0.38
				06/11/2015	(10000)	Sale	55800	0.33
				20/11/2015	(6800)	Sale	49000	0.29
				31/12/2015	(2500)	Sale	46500	0.27
				19/02/2016	(10900)	Sale	35600	0.21
				26/02/2016	500	Purchase	36100	0.21
				11/03/2016	45500	Purchase	81600	0.48
				18/03/2016	4500	Purchase	86100	0.50

				25/03/2016 31/03/2016	(6600) (29900)	Sale Sale	79500 49600	0.46 0.29
	At the end of the year (or on the date of separation, if separated during the year)						49600	0.29
14	Sharekhan Limited	0	0.00	No Shareholding in the Company			0	0.00
	At the end of the year (or on the date of separation, if separated during the year)						0	0.00

(v) Shareholding of Directors and Key Managerial Personnel:

A. Directors

Sl. No.	Director's Name	Shareholding at the beginning of the year		Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweet equity etc.)			Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	Date	No. of Shares	Reason	No. of shares	% of total shares of the company
1	Ravi Kumar Sablok (Managing Director)	No Shareholding in the company						
2	Mukesh Kumar (Whole Time Director)	2687332	15.69	No change during the year			2687332	15.69
	At the end of the year						2687332	15.69
3	Ankur Agarwal (Whole Time Director)	2950788	17.23	No change during the year			2950788	17.23
	At the end of the year						2950788	17.23
4	Abhishek Tandon (Director)	No Shareholding in the company						
5	Gaya Prasad Gupta (Director)	No Shareholding in the company						
6	Anoop Srivastava (Director)	No Shareholding in the company						
7	Om Prakash Agarwal (Director)	No Shareholding in the company						
8	Kavita Awasthi (Director)	No Shareholding in the company						

B. Key Managerial Personnel:

Sl. No.	Name of Key Managerial Personnel (KMP)	Shareholding at the beginning of the year		Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweet equity etc.)			Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	Date	No. of Shares	Reason	No. of shares	% of total shares of the company
1	Ravi Kumar Sablok (Managing	No Shareholding in the company						

	Director)					
2	Ashok Kumar Sharma (Chief Financial Officer)	2800	0.02	No change during the year	2800	0.02
3	Disha Bajpai (Company Secretary)	No Shareholding in the company				

V. INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(Amount in Rupees)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	2062	157212172	Nil	157212172
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	Nil	157212172	Nil	157212172
Change in Indebtedness during the financial year				
• Addition	Nil	Nil	Nil	Nil
• Reduction	(2062)	(9800000)	Nil	(9800000)
Net Change	(2062)	(9800000)	Nil	(9800000)
Indebtedness at the end of the financial year				
i) Principal Amount	Nil	147412172	Nil	147412172
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	Nil	147412172	Nil	147412172

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(In Rupees)

Sl. No.	Particulars of Remuneration	Name of MD / WTD / Manager	Total Amount
		Ravi Kumar Sablok (MD) Mukesh Kumar (WTD) Ankur Agarwal (WTD)	
1.	Gross salary (a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) of Income-tax Act, 1961 (c) Profits in lieu of salary under Section 17(3) of Income-tax Act, 1961	200000 288000 276000	764000
2.	Stock Option	- - -	-
3.	Sweat Equity	- - -	-

4.	Commission - as % of profit - others, specify...	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total (A)	200000	288000	276000	764000
	Ceiling as per the Act	Since, profit of the Company is insufficient or inadequate to pay remuneration to managerial personnel and remuneration is being paid subject to the compliance of provisions of the Companies Act, 2013 readwith Schedule V (erstwhile Schedule XIII of the Companies Act, 1956) and overall remuneration is subject to the provisions of Schedule V of the Companies Act, 2013.			

*Above salary has been shown on accrual basis though payment of same may be in next financial year(s).

**Appointment of Mr. Mukesh Kumar and Mr. Ankur Agarwal as WTD, has been made by the Board of Directors at their meeting held on 28.05.2016 w.e.f. 01.06.2016 earlier, they were receiving monthly remuneration as Director(s) of the Company.

B. Remuneration to other Directors:

(Amount in Rupees)

SL No.	Particulars of Remuneration	Name of Directors						Total Amount
		Abhishek Tandon	Gaya Prasad Gupta	Om Prakash Agarwal	Anoop Srivastava	Manoj Kumar	Kavita Awasthi	
1	Independent Directors							
	• Fee for attending board committee meetings	-	-	-	-	-	-	-
	• Commission	-	-	-	-	-	-	-
	• Others, please specify	-	-	-	-	-	-	-
	Total (1)	-	-	-	-	-	-	-
2	Other Non-Executive Directors							
	• Fee for attending board committee meetings	-	-	-	-	-	-	-
	• Commission	-	-	-	-	-	-	-
	• Others, please specify	-	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-	-
	Total (B) = (1+2)	-	-	-	-	-	-	-
	Total Managerial Remuneration	-	-	-	-	-	-	-
	Overall ceiling as the Act	Though, no remuneration to other Directors mentioned in point no. B have been paid during the Financial Year 2015-16 and whenever remuneration is paid, overall limits will be subject to the provisions of the Companies Act, 2013.						

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(Amt. in Lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CFO	CS	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	4.56	4.20	8.76
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) of Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission				
	- as % of profit	-	-	-	-
	- others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	-	4.56	4.20	8.76

* There is no CEO in the Company; MD has been categorized as Key Managerial Personnel under Section 203 of the Companies Act, 2013, whose remuneration details in point no. A.

** There have been changes in Key Managerial Personnel due to appointments/resignations.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any (give details)
A. COMPANY					
Penalty	NONE				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	NONE				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	NONE				
Punishment					
Compounding					

CORPORATE GOVERNANCE REPORT

1. A BRIEF STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Cityon Systems (India) Limited is committed to Good Corporate Governance. The fundamental objective of Cityon's Corporate Governance is "enhancement of the long-term shareholder value while at the same time protecting the interest of other stakeholders". Cityon's Code of Corporate Governance has been drafted in compliance with the code of "Corporate Governance" as promulgated by the Securities and Exchange Board of India (SEBI).

2. BOARD OF DIRECTORS

The Board of Directors of Cityon Systems (India) Limited is comprised of 8 (Eight) Directors. Three are Executives, One is Non Executive / Non-Independent and four are Non Executive / Independent. During the Financial Year 2015-16, 8 meetings of the Board were held. These meeting were held on 29-05-2015, 24-07-2015, 27-07-2015, 04-09-2015, 04-12-2015, 01-01-2016, 05-02-2016, and 30-03-2016.

Details of Director's attendance and other particulars are given below:

Director	Designation	No. of Board Meeting held	No. of Board Meeting attended	Last AGM Attendance (Yes/ No)	No. of Memberships in Boards of other public Co.'s
Ravi Kumar Sablok	MD	8	6	Yes	Nil
Mukesh Kumar	WTD*	8	8	Yes	Nil
Ankur Agarwal	WTD	8	8	Yes	Nil
Abhishek Tandon	Director	8	5	No	Nil
Gaya Prasad Gupta	Director	8	8	Yes	3
Om Prakash Agarwal	Director	8	8	Yes	Nil
Anoop Srivastava	Director	8	8	Yes	Nil
Kavita Awasthi	Director	8	5	No	2

* The Board of Directors appointed to Ravi Kumar Sablok as Additional Director w.e.f. July 24, 2015 and thereafter appointed him as Managing Director of the Company w.e.f. July 27, 2015 for 3 years.

** MD denotes Managing Director and WTD denotes Whole Time Director

Details of familiarization programmes imparted to independent directors during the year, are disclosed on the Company's website i.e. www.cityonsystems.in.

3. AUDIT COMMITTEE

The Audit Committee has been constituted in line with the provisions of the Section 177 of the Companies Act, 2013 readwith Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Audit Committee of the Company consists of Four Directors and all the Directors have good knowledge in finance and accounts.

Composition of Audit Committee is as under:

COMPOSITION

Mr. Om Prakash Agarwal	Chairman, Non Executive/Independent Director
Mr. Gaya Prasad Gupta	Member, Non Executive/Independent Director
Mr. Anoop Srivastava	Member, Non Executive/Independent Director
Mr. Mukesh Kumar	Member, Executive Director

Meeting and attendance during the year

Members	Meeting Held	Meeting Attended
Mr. Om Prakash Agarwal	4	4
Mr. Gaya Prasad Gupta	4	4
Mr. Anoop Srivastava	4	4
Mr. Mukesh Kumar	4	4

Terms of Reference:

The terms of references of the Audit Committee covering the matters specified under Clause 49 of the Listing Agreement / Regulation 18 readwith Part C of Schedule II to the SEBI (Listing Obligations and Disclosures requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013. The terms of reference for the Audit Committee are broadly as under:

- (1) Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (2) Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
- (3) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- (4) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - (a) Matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - (b) Changes, if any, in accounting policies and practices and reasons for the same;
 - (c) Major accounting entries involving estimates based on the exercise of judgment by management;
 - (d) Significant adjustments made in the financial statements arising out of audit findings;
 - (e) Compliance with listing and other legal requirements relating to financial statements;
 - (f) Disclosure of any related party transactions;
 - (g) Modified opinion(s) in the draft audit report;
- (5) Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- (6) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of

proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;

- (7) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- (8) Approval or any subsequent modification of transactions of the listed entity with related parties;
- (9) Scrutiny of inter-corporate loans and investments;
- (10) Valuation of undertakings or assets of the listed entity, wherever it is necessary;
- (11) Evaluation of internal financial controls and risk management systems;
- (12) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (13) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (14) Discussion with internal auditors of any significant findings and follow up there on;
- (15) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- (16) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (17) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (18) To review the functioning of the whistle blower mechanism;
- (19) Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- (20) Carrying out any other function as is mentioned in the terms of reference of the audit committee.

4. STAKEHOLDER RELATIONSHIP COMMITTEE:

Stakeholders Relationship Committee is comprises of 3 directors, its composition are as under:

Composition

Mr. Anoop Srivastava	Chairman (Non-Executive/Independent Director)
Mr. Gaya Prasad Gupta	Member, Non-Executive Director/Independent Director
Mr. Om Prakash Agarwal	Member, Non-Executive Director/Independent Director

Meeting and attendance during the year

Members	Meeting Held	Meeting Attended
Mr. Anoop Srivastava	4	4
Mr. Gaya Prasad Gupta	4	4
Mr. Om Prakash Agarwal	4	4

The Committee has been constituted to specially look into Shareholders grievances such as transfer, de-materialization related matters. The Committee has also been dealing the power to approve transfer/transmission, issue of new or duplicate certificates, subdivisions of shares or split of shares and all other related matters of shares.

There were no complaints pending as on 31.03.2016.

There have been changes in designation of Company Secretary cum Compliance officer during the year due to appointment/resignation and Ms. Disha Bajpai is serving the office as Company Secretary cum Compliance Officer of the Company with effect from 1st day of January, 2016 and providing secretarial support to the Committee(s).

Ms. Neha Jain, Practising Company Secretary, Kanpur is conducting Reconciliation of Share Capital Audit Report of the Company in place of Mr. Sarvesh S. Srivastava, Practising Company Secretary, Kanpur, who ceased to act as such.

5. NOMINATION AND REMUNERATION COMMITTEE

The nomination and Remuneration Committee comprises of three (3) directors. Composition of committee are as under:

Composition of Committee

Mr. Gaya Prasad Gupta	Chairman, Non Executive/Independent Director
Mr. Om Prakash Agarwal	Member, Non Executive/Independent Director
Mr. Anoop Srivastava	Member, Non Executive/Independent Director

Meeting and attendance during the year

Members	Meeting Held	Meeting Attended
Mr. Gaya Prasad Gupta	4	4
Mr. Om Prakash Agarwal	4	4
Mr. Anoop Srivastava	4	4

No sitting fees have been paid by the Company to any Directors for attending Board Meetings or any Committee Meetings during the financial year 2015-16.

The Nomination and Remuneration Committee shall identify persons who are qualified to become directors of the company and who may be appointed in senior management in accordance with criteria laid down by the company. It recommends to the Board for their appointment as Directors or at senior management level.

The Committee had been consulted to review and approve the annual salaries, commission, service management and other employment conditions for the executive directors.

The terms of reference of the Nomination and Remuneration Committee are in line with the requirements of the Companies Act, 2013 and Clause 49/Regulation 19 read with Part D of Schedule II to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The terms of reference of the Committee are broadly as under:

- (1) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;

- (2) Formulation of criteria for evaluation of performance of independent directors and the board of directors;
- (3) Devising a policy on diversity of board of directors;
- (4) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- (5) Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

Details of the remuneration paid to Executive Directors during the financial year 2015-16, are as under:

Name of Directors	Designation	Remuneration
Mr. Ravi Kumar Sablok	Managing Director	3,00,000.00
Mr. Mukesh Kumar	Whole Time Director	2,88,000.00
Mr. Ankur Agarwal	Whole Time Director	2,76,000.00

- Except above remuneration/salary, no other remuneration was paid to aforesaid Directors and other Directors also during the financial year 2015-16.
- Figures of the remuneration are on accrual basis, payment of the same may be in next financial year(s).

Details of the remuneration paid to other Directors during the financial year 2015-16, are as under

Name of Directors	Designation	Remuneration
Mr. Abhishek Tandon	Director (None Executive / None Independent)	No remuneration has been paid during the financial year 2015-16 by way of any modes such as sitting fees, commission or any other mode
Mr. Anoop Srivastava	Director (Independent)	No remuneration has been paid during the financial year 2015-16 by way of any modes such as sitting fees, commission or any other mode
Mr. Om Prakash Agarwal	Director (Independent)	No remuneration has been paid during the financial year 2015-16 by way of any modes such as sitting fees, commission or any other mode
Mr. Gaya Prasad Gupta	Director (Independent)	No remuneration has been paid during the financial year 2015-16 by way of any modes such as sitting fees, commission or any other mode
Mrs. Kavita Awasthi	Director (Independent)	No remuneration has been paid during the financial year 2015-16 by way of any modes such as sitting fees, commission or any other mode

COMPLIANCE OFFICER:

During the Year, there has been change in Company Secretary cum Compliance Officer of the Company due to appointment (s) / resignation(s). Ms. Disha Bajpai is serving the Company as Company Secretary cum Compliance Officer of the Company w.e.f. 01.01.2016.

Mr. Sunil Kumar Tripathi, who was serving the company as Company Secretary cum Compliance Officer, has resigned from the post of Company Secretary of the Company w.e.f. 01.01.2016.

PERFORMANCE EVALUATION OF THE BOARD, DIRECTORS (INCLUDING INDEPENDENT) AND COMMITTEE(S)

After taking into consideration one to one inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance; pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Appointment and Remuneration Committees.

Independent Directors Meeting

During the year under review, the Independent Directors met on March 25, 2016, inter alia, to discuss:

1. Evaluation of the performance of Non Independent Directors and the Board of Directors as a Whole;
2. Evaluation of the performance of the Chairman of the Company, taking into account the views of the Non executive Directors.
3. Evaluation of the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at the meeting.

6. SHAREHOLDER'S MEETINGS

Details of last three AGMs held

Year	Date	Venue	Time
2014-15	29.09.2015	215, Delhi Chambers, Delhi Gate, Delhi - 110002	10:30 A. M.
2013-14	30.09.2014	215, Delhi Chambers, Delhi Gate, Delhi - 110002	11:00 A. M.
2012-13	27.09.2013	215, Delhi Chambers, Delhi Gate, Delhi - 110002	10:00 A. M.

Business

Year	Special Resolution passed for:
2014-15	<ol style="list-style-type: none">1. Appointment of Mr. Ravi Kumar Sablok as Managing Director of the Company under category of Key Managerial Personnel for a further period of 3 (Three) years effective from 27th July, 2015 to 26th July, 2018.2. Amendment in Liability Clause of the Memorandum of Association under the Companies Act, 2013.3. Adoption of new set of Articles of Association of the Company under Companies Act, 2013.
2013-2014	No Special Resolution passed
2012-2013	No Special Resolution passed

No special resolution was passed through Postal Ballot during the financial year 2015-16.

7. DISCLOSURES

(a) Basis of related party transactions:

Disclosure on materially significant related transactions i.e. transactions of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interest of the Company at large – Nil.

Further, transactions with related party(ies) has been made during the ordinary course of business and on arm's length basis.

Policy for related party transactions is placed on website of the Company i.e. www.cityonsystems.in.

(b) Whistle Blower Policy:

The Company believes in the conduct of the affairs of its various constituents in a fair and transparent manner, by adopting the highest standard of professionalism, honesty, integrity and ethical behaviour and open communication. The Company has Whistle Blower Policy under which the employees are free to report instances of unethical behaviour, violation of laws and regulations and the code of conduct or policies of the Company. The employees can approach the same directly to Chairman of Audit Committee. During the year under review, no employee was denied access to the Audit Committee.

(c) Risk Management:

The Company has a well defined risk management framework in place, further it has established procedures to periodically place before the Board, the risk assessment and minimization procedures being followed and the steps were taken by it to mitigate these risks.

- (d) There is no inter-se relationships between the Directors of the Company except Mr. Mukesh Kumar and Mr. Ankur Agarwal, who have relation of father and son.

(e) Disclosure of Accounting Treatment:

There have not been any significant changes in accounting policies during the year.

(f) Compliance by the Company:

There are no instances of non-compliances by the Company on any matters related to the capital market, nor have any penalty/strictures been imposed by the Stock Exchanges or SEBI or any other statutory authority on any matter relating to capital market during the Financial Year ended on March 31, 2016.

(8) MEANS OF COMMUNICATION:

Since, Company is listed on BSE SME (ITP), subject to the provisions of Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, financial results are required to be submitted on half yearly basis in place of quarterly and it is not mandatorily required to get these results be published in newspapers, henceforth, hosting of the same is made on company's website www.cityonsystems.in besides sending the same to Bombay Stock Exchange.

Whether the Management Discussion and Analysis section is part of the Annual report or not: Yes

(9) GENERAL SHAREHOLDER INFORMATION:

(a) Company Registration Details:

The Company Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L72900DL2004PLC126096.

(b) Annual General Meeting:

(Day, Date, Time and Venue)

Friday, September 29, 2016 at 10:30 a.m.
215, Delhi Chambers, Delhi Gate, Delhi - 110002

(c) Financial Year:

Financial Year - April 1 to March 31

(d) Book Closure Date:

September 23, 2016 (Friday) to September 29, 2016 (Thursday) (both days inclusive). No dividend is being declared in the Annual General Meeting.

(e) Listing:

Equity Shares of the Company are actively listed on BSE SME (ITP).

Scrip Code: 780013

ISIN: INE324P01014

- (i) Bombay Stock Exchange Ltd.
Phirize Jeejeephoy Towers,
Dalal Stret, Mumbai - 400001

(f) Market Price Data:

Monthly Open, High, Low and Close price and the trading volumes on BSE of equity shares the Company are hereunder:

Date	Open	High	Low	Close	No. of Shares
Apr-15	375	400	375	399	103200
Apr-15	390	400	390	397	86400
Apr-15	395	400	395	400	53300
Apr-15	390	400	390	390	70100
Apr-15	393	400	393	400	61400
Apr-15	400	400	400	400	13500
Apr-15	390	400	390	400	22100
Apr-15	400	400	400	400	21900
Apr-15	400	400	400	400	7500
May-15	400	400	400	400	5000
Jun-15	400	400	400	400	3800
Jun-15	395	395	395	395	3000
Jun-15	400	400	400	400	2600
Jul-15	398	398	398	398	7500
Jul-15	397	400	397	400	13500
Jul-15	400	400	400	400	9000
Jul-15	400	400	400	400	6500
Jul-15	400	400	398	400	8500
Jul-15	399	399	399	399	5000
Jul-15	400	400	400	400	5000
Jul-15	398	398	398	398	3900
Jul-15	400	400	400	400	5000
Jul-15	395	397	395	397	7600
Aug-15	399	399	399	399	7500
Aug-15	402	402	402	402	6200
Aug-15	400	400	396	396	9300
Aug-15	400	400	400	400	7200
Aug-15	395	396	395	396	7600
Aug-15	398	398	398	398	7000
Sep-15	395	395	395	395	3300
Sep-15	396	396	396	396	4300
Sep-15	399	399	399	399	3000

Sep-15	399	399	399	399	6500
Sep-15	399	399	399	399	4000
Oct-15	380	380	380	380	4600
Nov-15	404	404	404	404	5200
Feb-16	400	408	400	408	6200
Feb-16	400	406	400	406	5700
Mar-16	395	400	395	400	6800
Mar-16	390	390	390	390	7700
Mar-16	385	385	385	385	7800
Mar-16	381	382	381	382	11800
Mar-16	380	380	380	380	12600
Mar-16	379	379	379	379	7400
Mar-16	376	376	376	376	11700
Mar-16	375	375	375	375	12800

(g) Performance of the Company's Stock Price vis-à-vis BSE SENSEX:

Since, Shares of the Company is listed on BSE SME (ITP), Performance of the Company's Stock Price vis-à-vis may not be material / significant.

(h) Registrar and Transfer Agents:

Members/Shareholders are requested to correspond with the Company's Registrar and Transfer Agent quoting their Folio No./DP ID & Client ID at the following address:

Skyline Financial Services Private Limited

D-153/A, 1st Floor, Okhla Industrial Area,

Phase-1, New Delhi - 110020

Phone Nos. - 011-26812682-83/64732681-88, Fax No. - 011-26292681

E-mail: admin@skylinerta.com

(i) Share Transfer System:

Securities lodged for transfers are processed and security certificates are returned within a period of fifteen days from the date of its receipt, subject to all documents being valid and complete in all respects. The Board of Directors has delegated the authority for approving transfer, transmission etc. of the Company's Securities to Company Secretary of the Company. The Company obtains a certificate from Company Secretary in practice on half yearly basis certifying that all the compliances with transfer formalities, as required under Regulation 40(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 have been complied with and files it with Stock Exchange(s).

(j) Shareholding Pattern as on March 31, 2016:

Category	No. of Shares	% of Holding
(A) Promoters Holding		
Individuals	6281360	36.68
Bodies Corporate	0	0.00
Sub-Total (A)	6281360	36.68
(B) Non Promoters Holding		

(1) Financial Institutions/Banks	0	0.00
Sub-Total (B) (1)	0	0.00
(2) Non-Institutions		
• Bodies Corporate	4665800	27.24
• Individuals	5202200	30.38
• Non Resident Indians	40000	0.23
• HUF	924200	5.40
• Clearing Members / House	12800	0.07
Sub-Total (B) (2)	10845000	63.32
Sub-Total (B)	10845000	63.32
Grand Total (A+B)	17126360	100.00

Distribution Schedule of Equity Shareholder as on March 31, 2016:

Share or Debenture holding Nominal Value	Number of Shareholders	% to Total Numbers	Share or Debenture holding Amount	% to Total Amount
(Rs.)			(Rs.)	
Up To 5,000	1	0.62	110	0.00
5001 To 10,000	1	0.62	9000	0.01
10001 To 20,000	1	0.62	20000	0.01
20001 To 30,000	1	0.62	28000	0.02
30001 To 40,000	0	0.00	0	0.00
40001 To 50,000	0	0.00	0	0.00
50001 To 1,00,000	5	3.11	444000	0.26
1,00,000 and Above	152	94.41	170762490	99.71
Total	161	100.00	171263600	100.00

(k) Dematerialization of Equity Shares and its Liquity:

The Company has tie-ups with NSDL and CDSL, 100% Equity Shares of the Company are in Electronic Form/Demat Form.

(l) The Company has not issued any GDRs/ADRs.

(m) Branches/Plants:

The Company has no branch / Plant.

(n) Payment of Listing Fees:

Annual Listing Fees for the year 2016-17 has been paid by the Company to BSE.

(o) Payment of Depository Fees:

The Company makes payment of Annual Custodian fees to NSDL/CDSL within due time as and when bills are raised by them.

(p) E-mail ID of Grievance Redressal Division:

(q) Address for correspondence:

For any assistance regarding share transfer and transmission, change of address, non receipt of share certificates, demat and other matters, please write to our Registrar and Share Transfer Agent of the Company at address mentioned at (f) above. For any query on the Annual Report and for any complaints or suggestions, please write to or contact:

Ms. Disha Bajpai
Company Secretary cum Compliance Officer
Cityon Systems (India) Limited
215, Delhi Chambers, Delhi Gate,
Delhi -110002
Phone No.: 011-41563395, 43667149
TelFax: 011-43667149
E-mail: info@cityonsystems.in, Website: www.cityonsystems.in

(10) COMPLIANCE WITH DISCRETIONARY REQUIREMENTS AS PER REGULATION 27(1) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:

The Company has adopted following discretionary requirements of Regulations 27(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015-

- (a) **Audit Qualifications:** The Company is in regime of the un-audited financial statements.
- (b) **Reporting of Internal Auditor:** The Internal Auditor reports directly to Audit Committee of the Company.

(11) CEO AND CFO CERTIFICATION:

The Chairman and Managing Director and Chief Financial Officer of the Company give annual Compliance Certificate in accordance with Regulation 17(8) read with Part B of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015/Clause 49 of Listing Agreement with Stock Exchange(s). The annual compliance certificate given by the Chairman and Managing Director and Chief Financial Officer is attached in Annual report.

DECLARATION OF COMPLIANCE WITH CODE OF CONDUCT

I, Ravi Kumar Sablok, Managing Director of the Company, hereby declare that, all the members of the Board and the Senior Management personnel have confirmed their compliance with the Code of Conduct for the year ended March 31, 2016

For Cityon Systems (India) Limited


(Ravi Kumar Sablok)
Managing Director
DIN: 07241345

Place: Delhi
Date: 29.08.2016

CEO/CFO CERTIFICATION

(Pursuant to Regulation 17(8) of SEBI (LODR) Regulations, 2015)

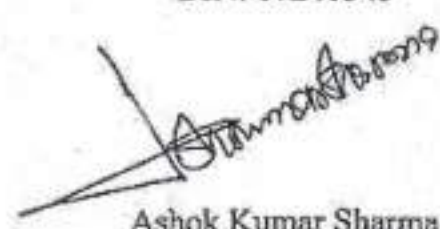
In terms of Regulation 17(8) of SEBI (LODR) Regulations, 2015, Managing Director and Chief Financial Officer of the Company has certified to the Board that:

- (a) We have reviewed the financial statements and the cash flow statement for the year ended March 31, 2016 and that to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading.
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- (b) To the best of our knowledge and belief, no transactions entered into by the Company during the year are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal control for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and steps have been taken to rectify these deficiencies.
- (d) We have indicated to the auditors and the audit committee that:
 - (i) there has not been any significant change in internal control over financial reporting during the year;
 - (ii) there has not been any significant changes in the accounting policies during the year requiring disclosure in the notes to the financial statements;
 - (i) We are not aware of any instances during the year of significant fraud with involvement therein of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Cityon Systems (India) Limited


Ravi Kumar Sablok
Managing Director
DIN: 07241345

Place: Delhi
Date: 29.08.2016


Ashok Kumar Sharma
(Chief Financial Officer)

Management Discussion & Analysis

ECONOMIC OVERVIEW

The economic conditions in the country in the current fiscal have been challenging with inflation being the major factor driving economic policy. Policy formulation has become more complicated and Indian rupee has tended to remain weak against major international currencies. There was overall slowdown in the economy of the country.

FINANCIAL PERFORMANCE

Due to overall slowdown in the economy of country, the company achieved profit of Rs. 4,33,561.00 during the year under review and it is expected that the company will perform better in coming years.

BUSINESS STRATEGY ANALYSIS AND OUTLOOK

The Company always reviews its business strategy and it makes efforts to estimate with optimum fruitful future results and makes diversification in new avenues as and when it is necessitated and expected to be profitable in future.

OPPORTUNITIES AND STRENGTHS

The Company is searching for new avenues. Your company continues to focus on the diversification its business activities. Although business opportunities are available, additional resources continues to be constraint.

BUSINESS OVERVIEW

The company has good recognition among its shareholders spread throughout country. The company has evolved new vision and focus. The company has a strategy to diversify its business activities in coming years.

RISKS AND CONCERNS

The Capital market industry in which your Company is operating is subject to extensive regulation. The Company evaluates the technological obsolescence and the associated risk and makes investment accordingly

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has satisfactory internal control system. The Company including subsidiaries has an adequate system of internal controls to ensure accuracy of accounting records, compliance with all laws & regulations and compliance with all rules, procedures & guidelines prescribed by the management. An extensive internal audit is carried out by independent firm of Chartered Accountants. An internal team of inspection also regularly visits branches for ensuring regulatory compliance. Post audit reviews are also carried out to ensure follow up on the observations made.

HUMAN CAPITAL

The company recognizes that its success is deeply embedded in the success of the human resources. The company has significantly scaled up its activities through investment in people and infrastructure. The company nurtures its employees through healthy working atmosphere that ensures equal opportunity for growth and challenge to all the equal opportunity for growth and challenge to all employees. The company believes in creating business leaders by employing best talent in the industry, providing opportunities, empowerment by delegations, training and taking care of their growth.

CAUTIONERY STATEMENT

The statements made in this report describe the company's objectives and projections that may be forward looking statement within the meaning of applicable laws and regulations. The actual result might differ materially from those expressed or implied depending on the economic conditions, government policies and other incidental factors which are beyond the control of the company. The company is not under any obligation to publicly amend, modify or revise any forward looking statements on the basis of any subsequent developments, information or events.



J AGARWAL & ASSOCIATES
CHARTERED ACCOUNTANTS

124, Z-1, HEMANT VIHAR, BARRA -2, KANPUR - 208027
Tel: (O) +919235444005 (M) 09415044443
E-mail:- julujagarwal@gmail.com, julujagarwal@rediffmail.com

**CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE
GOVERNANCE**

TO THE MEMBERS OF CITYON SYSTEMS (INDIA) LIMITED

We have examined the compliance of conditions of Corporate Governance by Cityon Systems (India) Limited (the Company), for the financial year ended on 31st March, 2016, as stipulated in Chapter IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with Stock Exchange(s).

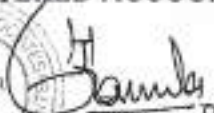
The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For J AGARWAL & ASSOCIATES,
CHARTERED ACCOUNTANTS,




CA Jalaj Agarwal
Partner
M.No. 071738

Place: - DELHI
Date: - 28-05-2016



J AGARWAL AND ASSOCIATES
CHARTERED ACCOUNTANT

124, Z-1, HEMANT VIHAR, BARRA -2 KANPUR- 208027

Tel: (O) +919235444005 (M) 9415044443

E-Mail: julujagarwal@rediffmail.com, julujagarwal@gmail.com

INDEPENDENT AUDITORS' REPORT

To the Members of
CITYON SYSTEMS INDIA LTD

Report on the Financial Statements

We have audited the accompanying financial statements of **CITYON SYSTEMS INDIA LTD** ("**the Company**") which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, 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 stated 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 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 misstatement.



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, 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 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, 2016, and its Profit&Loss and its Cash Flow for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**AnnexureA**" a statement on the matters specified in paragraphs 3 and 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 purpose 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 written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 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".
- 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.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For and on behalf of

J AGARWAL & ASSOCIATES

Chartered Accountants

FRN: 002601C



CA JALAJ AGARWAL

Partner

Mem No: 071738

Place: DELHI

Date: 28.05.2016

"Annexure A" to the Independent Auditors' Report

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31, 2016:

- 1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
(b) The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.
(c) The does not own any immovable properties.
- 2) (a) The management has conducted the physical verification of inventory at reasonable intervals.
b) The discrepancies noticed on physical verification of the Inventory as compared to books records which has been properly dealt with in the books of account were not material.
- 3) The Company has granted unsecured loans, companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act.
- 4) 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 Companies Act, 2013 In respect of loans, investments, guarantees, and security.
- 5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- 6) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.
- 7) (a) In respect of statutory dues:
According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally 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 any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts



payable in respect of the above were in arrears as at March 31, 2016 for a period of more than six months from the date on when they become payable.

- b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.
- 8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loan either from financial institutions or from the government and has not issued any debentures.
- 9) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- 10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- 11) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- 13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- 14) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.



- 15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- 16) The company is not to be registered under section 45 IA of the Reserve Bank of India Act, 1934.

For and on behalf of

J AGARWAL & ASSOCIATES

Chartered Accountants

FRN: 002601C



CA JALAJ AGARWAL

Partner

Mem No: 071738

Place: DELHI

Date: 28.05.2016

"Annexure B" to the Independent Auditor's Report of even date on the Financial Statements of CITYON SYSTEMS INDIA LTD Company limited

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 CITYON SYSTEMS INDIA LTD Company 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 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 authorisations of 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, 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 and on behalf of

J AGARWAL & ASSOCIATES

Chartered Accountants

PRN: 002501C



CA JALAJ AGARWAL

Partner

Mem No: 071738

Place: DELHI

Date: 28.05.2016

CITYON SYSTEMS INDIA LTD.
215, DELHI CHAMBERS., DELHI GATE, DELHI-110002
CIN : U72900DL2004PLC126096
BALANCE SHEET AS AT 31/03/2016

In ` Rs

Balance Sheet as at	Note	31/03/2016	31/03/2015
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2.1	17,12,63,600.00	17,12,63,600.00
Reserves and surplus	2.2	3,10,14,267.00	3,07,21,652.00
Money received against share warrants		-	-
		20,22,77,867.00	20,19,85,252.00
Share application money pending allotment		-	-
Non-current liabilities			
Long-term borrowings	2.3	14,74,12,172.00	15,72,12,172.00
Deferred tax liabilities (Net)	2.4	18,713.00	18,713.00
Other Long term liabilities		-	-
Long-term provisions		-	-
		14,74,30,885.00	15,72,30,885.00
Current liabilities			
Short-term borrowings	2.5	-	2,062.00
Trade payables	2.6	15,17,91,943.00	12,23,64,055.00
Other current liabilities		-	-
Short-term provisions	2.7	2,33,710.00	96,560.00
		15,20,25,653.00	12,24,62,677.00
TOTAL		50,17,34,405.00	48,16,78,814.00
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	2.8	45,301.00	2,01,052.00
Intangible assets		-	-
Capital work-in-progress		-	-
Intangible assets under development		-	-
		45,301.00	2,01,052.00
Non-current investments	2.9	5,67,71,122.00	5,66,71,122.00
Deferred tax assets (net)		-	-
Long-term loans and advances	3.0	29,53,61,377.00	28,45,94,804.00
Other non-current assets	3.1	29,56,134.00	28,34,237.00
		35,51,33,934.00	34,43,01,215.00
Current assets			
Current investments		-	-
Inventories	3.2	3,947.00	48,280.00
Trade receivables	3.3	14,59,37,347.00	13,57,16,412.00
Cash and cash equivalents	3.4	6,59,177.00	16,12,907.00
Short-term loans and advances		-	-
Other current assets		-	-
		14,66,00,471.00	13,73,77,599.00
TOTAL		50,17,34,405.00	48,16,78,814.00

In terms of our attached report of even date
For J AGARWAL AND ASSOCIATES
CHARTERED ACCOUNTANTS
FRN : 0026010

JALAJ AGARWAL
(PARTNER)
M. NO. : 071738

Place : DELHI
Date : 28.05.2016

For CITYON SYSTEMS INDIA LTD.

RAVI KUMAR SABLOK
(MANAGING DIRECTOR)

(DIN : 07241345)

ANKUR AGARWAL
(DIRECTOR)

(DIN : 06598310)

For CITYON SYSTEMS (INDIA) LTD.

CHIEF FINANCIAL OFFICER

For Cityon Systems (India) Ltd.

Company Secretary

CITYON SYSTEMS INDIA LTD.
215, DELHI CHAMBERS., DELHI GATE, DELHI-110002
CIN : U72900DL2004PLC126096
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31/03/2016

In ' Rs

Statement of Profit and Loss for the	Note	31/03/2016	31/03/2015
Revenue from operations	3.5	61218363.00	63483348.00
Other income	3.6	2045832.00	4910918.00
Total Revenue		63264195.00	68394266.00
Expenses			
Purchases of Stock-in-Trade	3.7	59396727.00	64489220.00
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	3.8	44333.00	203184.00
Employee benefits expense	3.9	1939900.00	1578400.00
Finance costs	4.0	6238.00	5805.00
Depreciation and amortization expense	4.1	14805.00	70914.00
Other expenses	4.2	1640909.00	1499481.00
Total expenses		63042912.00	67847004.00
Profit before prior period items and tax		221283.00	547262.00
Prior Period Items	4.3	404233.00	0.00
Profit before tax		625516.00	547262.00
Tax expense:	4.4		
Current tax		191955.00	169000.00
Deferred tax		0.00	0.00
Profit (Loss) for the period from continuing operations		433561.00	378262.00
Tax expense of discontinuing operations		0.00	0.00
Profit/(loss) from Discontinuing operations (after tax)		0.00	0.00
Profit (Loss) for the period		433561.00	378262.00
Earnings per equity share:	4.5		
Basic		0.03	0.02
Diluted		0.03	0.02

In terms of our attached report of even date
For J AGARWAL AND ASSOCIATES
CHARTERED ACCOUNTANTS
FRN : 002601C

JALAJ AGARWAL
(PARTNER)
M. NO. : 071738

For CITYON SYSTEMS INDIA LTD.

RAVI KUMAR SABLOK
(MANAGING DIRECTOR)

(DIN : 07241345)

ANKUR AGARWAL
(DIRECTOR)

(DIN : 06598310)

Place : DELHI

Date : 28/05/2016

For CITYON SYSTEMS (INDIA) LTD.

CHIEF FINANCIAL OFFICER

For Cityon Systems (India) Ltd.

Company Secretary

NOTES ON ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2016

2.1 Share Capital

		In ` Rs	
Particular	31/03/2016	31/03/2015	
Authorised			
24000000 (24000000) Equity Shares EQUITY of ` 10/- Par Value	24000000.00	24000000.00	
	24000000.00	24000000.00	
Issued			
17126360 (17126360) Equity Shares EQUITY of ` 10/- Par Value	17126360.00	17126360.00	
	17126360.00	17126360.00	
Subscribed			
17126360 (17126360) Equity Shares EQUITY of ` 10/- Par Value	17126360.00	17126360.00	
	17126360.00	17126360.00	
Paid-up			
17126360 Equity Shares EQUITY of ` 10/- Par Value Fully Paid-up	17126360.00	17126360.00	
	17126360.00	17126360.00	

Holding More Than 5%

Particular	31/03/2016	% Held	31/03/2015	% Held
ANKUR AGARWAL	2950788	17.23	2950788	17.23
BANSAL SUPPLIERS PRIVATE LIMITED	1056100	6.17	0	0.00
MUKASH KUMAR	2687332	15.69	2687332	15.69
NIRBHARANT MANAGEMENT CONS. P. LTD.	991400	5.79	866000	5.07
CITYON NANO TECHNOLOGY P. LTD.	1107600	6.47	867900	5.07

2.2 Reserve and Surplus

		In ` Rs	
Particular	31/03/2016	31/03/2015	
Capital Reserve – Opening	10000000.00	10000000.00	
Addition	0.00	0.00	
Deduction	0.00	0.00	
	10000000.00	10000000.00	
Securities Premium Opening	18855440.00	18855440.00	
	18855440.00	18855440.00	
Profit and Loss Opening	1866212.00	1487950.00	
Amount Transferred From Statement of P&L	433561.00	376252.00	
Appropriation and Allocation			
Others- Adjustment of Fixed Assets	140946.00	0.00	
	(140946.00)	(0.00)	
	2158827.00	1866212.00	
	31014267.00	30721652.00	

2.3 Long Term Borrowings

		In ` Rs	
Particular	31/03/2016	31/03/2015	
Others			
Unsecured			
BIG BROKER HOUSE STOCKS LTD.	40730000.00	41130000.00	
CITYON INFRASTRUCTURE PVT. LTD.	29813000.00	32013000.00	
CITYON NANO TECHNOLOGY PVT. LTD.	19219000.00	22219000.00	
CITYON SOLAR LTD.	33750172.00	33750172.00	
HORIZON PORTFOLIO LTD.	0.00	200000.00	
NIKKI GLOBAL FINANCE LTD.	4400000.00	8400000.00	
RICH INTERNATIONAL FINANCIAL SERVICES LTD	19500000.00	19500000.00	
	147412172.00	167212172.00	

For CITYON SYSTEMS (INDIA) LTD.


Managing Director

For CITYON SYSTEMS INDIA LTD.


Director



2.4 Deferred Taxes

Particular	In ' Rs	
	31/03/2016	31/03/2015
Deferred Tax Liabilities		
Depreciation	18713.00	18713.00
	18713.00	18713.00

2.5 Short Term Borrowings

Particular	In ' Rs	
	31/03/2016	31/03/2015
Loans repayable on demand		
Banks		
Secured		
KOTAK MAHINDRA BANK	0.00	2062.00
	0.00	2062.00

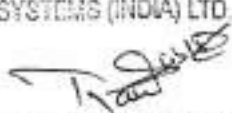
2.6 Trade Payables

Particular	In ' Rs	
	31/03/2016	31/03/2015
Creditors Due others		
AMIT SALES CORPORATION	0.00	5,930.00
BANSAL SUPPLIER PVT LTD SALE & PURCHASE	1,48,84,141.00	0.00
CHEQUES ISSUED BUT NOT PRESENTED	3,99,20,000.00	3,93,96,366.00
CITYON NANO SALE & PURCHASE	2,47,66,636.00	0.00
KPK FINANCE CONSULTANCY PVT. LTD	39,20,000.00	39,20,000.00
NOVEL LINES & LOGISTIC PVT. LTD.	0.00	19,233.00
RICH UDYOG NETWORK LTD.	4,85,70,252.00	0.00
SHARES SALE PURCHASE A/C	0.00	5,85,00,000.00
SHASHWAT AGARWAL	1,29,49,275.00	1,29,49,275.00
SKYLINE FINANCIAL SERVICES PVT. LTD.	1,27,138.00	0.00
STAR ENTERPRISES	29,73,251.00	38,73,251.00
SUDHIR AGARWAL (HUF)	36,81,250.00	37,00,000.00
	15,17,91,943.00	12,23,64,055.00

2.7 Short Term Provisions

Particular	In ' Rs	
	31/03/2016	31/03/2015
Others		
J AGARWAL & ASSOCIATES	96710.00	96560.00
SALARY PAYABLE	137000.00	0.00
	233710.00	96560.00

For CITYON SYSTEMS (INDIA) LTD.


 Managing Director

For CITYON SYSTEMS (INDIA) LTD.


 Director


2.8 Tangible assets

FIXED ASSETS

Block of Assets / Asset Group	Rate	Gross Block				Depreciation					Net Block	
		01/04/2015	Additions	Sale/Adj.	31/03/2016	01/04/2015	For the Year	Sale/Adj.	Residual Value Adjustment	31/03/2016	31/03/2016	31/03/2015
		Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
COMPUTERS AND DATA PROCESSING UNITS												
COMPUTER	-	3,65,834.00	0.00	0.00	3,65,834.00	3,52,567.27	0.00	0.00	10,935.73	3,63,503.00	2,331.00	13,288.73
OFFICE EQUIPMENT												
AIR CONDITIONER	-	1,02,513.00	0.00	0.00	1,02,513.00	69,643.00	0.00	0.00	27,745.00	97,388.00	5,125.00	32,870.00
OFFICE EQUIPMENT	-	2,71,817.00	0.00	0.00	2,71,817.00	1,57,660.00	0.00	0.00	1,02,265.00	2,59,925.00	11,892.00	1,14,157.00
Total (Block)		3,74,330.00	0.00	0.00	3,74,330.00	2,27,303.00	0.00	0.00	1,30,010.00	3,57,313.00	17,017.00	1,47,027.00
PLANT AND MACHINERY												
INVERTOR	28.31%	12,900.00	0.00	0.00	12,900.00	9,098.24	1,076.00	0.00	0.00	10,174.24	2,725.76	3,801.76
	30.33%	45,703.00	0.00	0.00	45,703.00	31,785.63	4,221.00	0.00	0.00	36,006.63	9,696.37	13,917.37
	45.07%	27,300.00	0.00	0.00	27,300.00	10,199.13	7,707.00	0.00	0.00	17,906.13	9,393.87	17,100.87
Total (Asset Group)		85,903.00	0.00	0.00	85,903.00	51,083.00	13,004.00	0.00	0.00	64,087.00	21,816.00	34,820.00
REFRIGERATOR	30.33%	19,500.00	0.00	0.00	19,500.00	13,562.00	1,801.00	0.00	0.00	15,363.00	4,137.00	5,938.00
Total (Block)		1,05,403.00	0.00	0.00	1,05,403.00	64,645.00	14,805.00	0.00	0.00	79,450.00	25,953.00	40,758.00
Grand Total		8,45,567.00	0.00	0.00	8,45,567.00	6,44,515.27	14,805.00	0.00	1,40,945.73	8,00,266.00	45,301.00	2,01,061.73
Previous Year		8,45,567.00	0.00	0.00	8,45,567.00	5,73,601.00	70,914.27	0.00	0.00	6,44,515.27	2,01,051.73	2,71,966.00

For CITYON SYSTEMS (INDIA) LTD.


 Managing Director

For CITYON SYSTEMS INDIA LTD.


 Director


2.9 Non-current investments

Particular	In ` Rs	
	31/03/2016	31/03/2015
Investments in Equity Instruments	56771122.00	56671122.00
	56771122.00	56671122.00

3.0 Long-term loans and advances

Particular	In ` Rs	
	31/03/2016	31/03/2015
Loans and advances to others		
Unsecured, considered good		
ABHIGYAN PRAKASH	200000.00	200000.00
AMBIKA CORPORATION	306235.00	200000.00
AXIS EDUCATIONAL SOCIETY	19000000.00	19000000.00
BANSAL SUPPLIERS	0.00	1746506.00
BANSAL SUPPLIERS P. LTD.	56646483.00	40400000.00
BISHAN LAL SHIVHARE	2216000.00	2216000.00
DAUJEE ABHUSHAN BHANDAR PVT. LTD.	28300000.00	28300000.00
DEEPAK SEHGAL	10000000.00	10000000.00
DELUX PETRO CHEM IN	200000.00	200000.00
DEV BHOOMI PROMOTERS & DEVELOPERS PVT. LTD.	5000000.00	5000000.00
FROST INTERNATIONAL LTD	8620466.00	8040000.00
HD STEELS	500000.00	500000.00
HOME LINKERS PVT. LTD.	12500000.00	12500000.00
HORIZON PORTFOLIO (LOAN)	1300000.00	0.00
K. G. SHOE EXPORTS LTD.	2224960.00	2218897.00
KAMIA MULHOTRA	5000000.00	5000000.00
KAVITA AGARWAL	1000000.00	1000000.00
MAA SHARDA TOBACCO PVT. LTD.	0.00	405000.00
MAA VINDHYAVASINI TOBACCO PVT. LTD.	5405000.00	5000000.00
MANI SONI	3000000.00	3000000.00
MI BUILDERS LTD.	6500000.00	6500000.00
MONAL INFRATECH	5000000.00	0.00
NEELAM MISHRA	2000000.00	2000000.00
NIRBHARANT AGARWAL	876480.00	876480.00
PANKAJ PURI	300000.00	300000.00
PARMARTH IRON PVT. LTD.	5000000.00	5000000.00
PRADUMNA KRISHNA SINHA	0.00	1000000.00
QADIRYA & ASSOCIATES P. LTD.	10000000.00	10000000.00
RAC TECHNOLOGIES	1000000.00	1000000.00
RAHUL MEHTA	200000.00	200000.00
RAJ KAPOOR	1000000.00	1000000.00
RAM NIWAS FLOOR MILLS PVT. LTD.	0.00	3324058.00
REWA CHEMICALS PVT. LTD.	3526750.00	3526750.00
RICH CAPITAL & FINANCIAL SERVICES LTD	64600000.00	64600000.00
RR FOOD PRODUCTS	0.00	3658110.00
SAFARI CHEMICALS PVT. LTD.	3500000.00	3500000.00
SANJAY TANDON	200000.00	200000.00
SANJAY TANDON HUF	2000000.00	2000000.00
SARITA JAIN	2000000.00	2000000.00
SHIVA SHEESHAM MARKETING P. LTD.	7000000.00	7000000.00
SHREE NEELKANTH BUILDERS	664003.00	610003.00
SHREYA STOCK & SHARES BROKING PVT. LTD.	275000.00	275000.00
SMN ASHWINI	2000000.00	2000000.00
SMN KISHORE BABU	1000000.00	1000000.00
SUJEET KUMAR SRIVASTAVA	2500000.00	3500000.00
VISHAL MALHOTRA	800000.00	800000.00
VISHWADOOT EDUCATIONAL TRUST	8000000.00	8000000.00
VVS CONCAST LTD	4000000.00	4000000.00
	295361377.00	284594804.00

For CITYON SYSTEMS (INDIA) LTD.

Managing Director

For CITYON SYSTEMS INDIA LTD.

Director



3.1 Other non-current assets

Particular	31/03/2016	31/03/2015
Trade Receivable		
Unsecured, Considered Good		
Others		
EARNEST MONEY	292767.00	364050.00
INTEREST ACCURED ON FDR	103062.00	75542.00
T.D.S. A.Y. 2014-15	81190.00	81190.00
T.D.S. A.Y. 2015-16	192916.00	165269.00
TAX ON ASSESSMENT YEAR 2011-12	243353.00	243353.00
TDS RECEIVABLE A.Y. 2010-11	12228.00	12228.00
VAT A/C	1.00	1.00
VAT A/C DELHI	72048.00	72049.00
ADVANCE FOR SHOPMETRO	100000.00	100000.00
SECURITY DEPOSIT ADJUSTABLE (RENT A/C)	865555.00	865555.00
SECURITY DEPOSIT FIXED (RENT A/C)	855000.00	855000.00
TDS A.Y. 2016-17	12466.00	0.00
NOTICE ISSUED BY IT (UNDER PROTEST)	125548.00	0.00
	2956134.00	2834237.00

3.2 Inventories

Particular	31/03/2016	31/03/2015
Others		
Other	3947.00	48280.00
	3947.00	48280.00

3.3 Trade receivables

Particular	31/03/2016	31/03/2015
Trade Receivable		
Unsecured considered good		
Within Six Months		
BANSAL SUPPLIER PVT LTD SALE & PURCHASE	0.00	26,08,462.00
BANSAL SUPPLIERS SALE & PURCHASE	1,83,82,111.00	1,65,22,443.00
BIG BROKER SALE & PURCHASE A/C	3,65,49,119.00	3,65,49,119.00
CHEQUE RECEIVED BUT NOT DEPOSITED	14,00,000.00	0.00
DR. JAHANGIR PHARMACEUTICALS & HYGIENIC CO.	0.00	9,359.00
HORIZON PORTFOLIO LTD.	10,44,144.00	9,924.00
JAY INDUSTRIES	1,27,230.00	1,27,230.00
NIRBHARANT MANAGEMENT CONSULTANTS PVT. LTD	2,96,44,900.00	3,68,79,900.00
NIRBHARANT MANAGEMENT SALE PURCHASE & SALE	2,42,59,650.00	0.00
PRAGATI INORGANICS	0.00	40,500.00
PRAKASH YADAV	20,000.00	20,000.00
PRASHASTI AGARWAL	2,00,000.00	2,00,000.00
RAJNISH GUPTA	0.00	6,400.00
REWA REFINERY PVT. LTD.	10,00,000.00	10,00,000.00
RICH UDYOG NETWORK LTD.	0.00	99,29,748.00
SHREE MAHALAXMI COMMODITY	87,00,000.00	87,00,000.00
ZEAL ADVERTISING PVT. LTD.	0.00	5,134.00
ZENO TRADERS AND SERVICES LIMITED	2,17,80,000.00	2,22,80,000.00
STRAIT CHEM (FZE)	8,30,193.00	8,30,193.00
	14,59,37,347.00	13,57,16,412.00

For CITYON SYSTEMS (INDIA) LTD.

[Signature]
Managing Director

For CITYON SYSTEMS INDIA LTD.

[Signature]
Director

[Circular Stamp: J. AGARWAL & ASSOCIATES, PARTNER, CHARTERED ACCOUNTANTS]

3.4 Cash and cash equivalents

Particular	31/03/2016	31/03/2015
Cash in Hand	496963.00	315538.00
Balances With Banks		
Balance With Scheduled Banks		
Current Account		
IDBI DELHI A/C NO.	12649.00	12977.00
SBI BANK A/C NO.	0.00	4190.00
UCO BANK A/C NO.	6404.00	6715.00
YES BANK A/C NO.	32076.00	120457.00
INDUSIND BANK A/C NO.	111085.00	1153030.00
	659177.00	1612907.00

3.5 Revenue from operations

Particular	31/03/2016	31/03/2015
Sale of Products		
Traded Goods		
SALE OTHER	24258650.00	28876044.00
SALE OF SHARE	18006654.00	27699448.00
SALES TAX INVOICE	18952059.00	7107856.00
	61218363.00	63483348.00

3.6 Other income

Particular	31/03/2016	31/03/2015
Interest		
INTEREST RECEIVED	2043767.00	4858863.00
INTEREST ON IT REFUND	0.00	23983.00
INTEREST RECEIVED ON FDR	0.00	28072.00
Miscellaneous		
BALANCE WRITTEN OFF	2065.00	0.00
	2045832.00	4910918.00

3.7 Purchases of Stock-in-Trade

Particular	31/03/2016	31/03/2015
Stock in Trade		
PURCHASE TAX INVOICE	16657717.00	6399854.00
PURCHASE OTHER	24786636.00	30350172.00
PURCHASE SHARE	17972374.00	27739194.00
	59396727.00	64489220.00

3.8 Changes in inventories of finished goods, work-in-progress and Stock-in-Trade

Particular	31/03/2016	31/03/2015
Opening		
Other	48280.00	251464.00
	48280.00	251464.00
Closing		
Other	3947.00	48280.00
	3947.00	48280.00
Increase/Decrease		
Other	44333.00	203184.00
	44333.00	203184.00

Details of Changes in Inventory

Particular	31/03/2016	31/03/2015
Other		
CHANGES IN CLOSING STOCK	44333.00	203184.00
	44333.00	203184.00

For CITYON SYSTEMS (INDIA) LTD.

Managing Director

For CITYON SYSTEMS INDIA LTD.

Director



3.9 Employee benefits expense

		In ' Rs
Particular	31/03/2016	31/03/2015
Salary, Wages & Bonus		
SALARY A/C	1939900.00	1578400.00
	1939900.00	1578400.00

4.0 Finance costs

		In ' Rs
Particular	31/03/2016	31/03/2015
Interest Expenses		
Interest Expenses		
INTEREST PAID	0.00	2550.00
Bank Charges		
BANK CHARGES	6238.00	3255.00
	6238.00	5805.00

4.1 Depreciation and amortisation expense

		In ' Rs
Particular	31/03/2016	31/03/2015
Depreciation & Amortisation		
Depreciation Tangible Assets		
DEPRICIATION	14805.00	70914.27
	14805.00	70914.00

4.2 Other expenses

		In ' Rs
Particular	31/03/2016	31/03/2015
Administrative and General Expenses		
Auditors Remuneration		
AUDIT FEE	34350.00	34200.00
Selling Distribution Expenses		
Advertising Promotional Expenses		
ADVERTISEMENT & PUBLICITY EXP.	7584.00	1956.00
Other Expenses		
ACCOUNTANCY CHARGES	48000.00	48000.00
ELECTRIC EXP.	68225.00	61400.00
LEGAL EXP.	30130.00	27740.00
OFFICE EXPENSES	32290.00	31420.00
PRINTING & STATIONARY	28135.00	38512.00
ROC EXPENSES	44400.00	33670.00
TELEPHONE EXP.	19000.00	12250.00
TRAVELLING EXPS.	282320.00	323113.00
POSTAGE & TELEGRAM	8215.00	6082.00
GENERAL EXP.	4615.00	2890.00
REPAIR & MAINTENANCE	9435.00	6630.00
COMPUTER EXP.	19320.00	17640.00
LISTING FEES - BSE	750484.00	112360.00
CERTIFICATION FEES	4720.00	57900.00
DEMAT CHARGES	2560.00	4530.00
MISC. EXP. A/C	16355.00	28500.00
VEHICLE RUNNING & MAINTENANCE	12380.00	4250.00
DEPOSITARY SERVICE CHARGES	51525.00	0.00
INTEREST PAID	770.00	0.00
SHARE TRANSFER & REGISTRATION EXP	155243.00	0.00
INCOME TAX FOR P/Y	10853.00	0.00
TENDOR COST	0.00	10459.00
LISTING FEES - CDSL	0.00	33713.00
PROFESSIONAL & CONSULTANCY CHARGES	0.00	561800.00
FREIGHT & CARTAGE	0.00	38832.00
NSDL CHARGES	0.00	1124.00
W/O	0.00	510.00
	1640909.00	1499481.00

For CITYON SYSTEMS (INDIA) LTD.

[Signature]
Managing Director

For CITYON SYSTEMS INDIA LTD.

[Signature]
Director



4.3 Prior Period items

In ' Rs		
Particular	31/03/2016	31/03/2015
Prior Period Income		
INTEREST INCOME	385000.00	0.00
DISCOUNT RECEIVED	19233.00	0.00
	404233.00	0.00

4.4 Tax expense

In ' Rs		
Particular	31/03/2016	31/03/2015
Current tax		
PROVISION FOR CURRENT TAX	191955.00	169000.00
	191955.00	169000.00

4.5 Earnings per equity share

In ' Rs		
Particular	31/03/2016	31/03/2015
Earnings Per Equity Share		
Basic		
Basic EPS Before Extra Ordinary Item	0.03	0.02
Extra Ordinary Item Adjustment	0.00	0.00
Diluted		
Diluted EPS Before Extra Ordinary Item	0.03	0.02
Extra Ordinary Item Adjustment	0.00	0.00
Number of Shares used in computing EPS		
Basic	17126360	17126360
Diluted	17126360	17126360
Weighted Average Number of shares		
Number of Shares for basic EPS calculation		
Number of shares for dilutive calculation	17126360.00	17126360.00

In terms of our attached report of even date
For J AGARWAL AND ASSOCIATES
CHARTERED ACCOUNTANTS
FRN : 002603

JALAJ AGARWAL
(PARTNER)
M. NO. : 071738



For CITYON SYSTEMS INDIA LTD.

RAVI KUMAR SABLOK
(MANAGING DIRECTOR)

(DIN : 07241345)

ANKUR AGARWAL
(DIRECTOR)

(DIN : 08598310)

Place : DELHI

Date : 28/05/2016

CITYON SYSTEMS (INDIA) LTD.
FOR THE PERIOD ENDING 31.03.2016

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March, 2016

	For the year Ended 31, March 2016 Amount (Rs.)	For the year Ended 31, March 2015 Amount (Rs.)
Cash flows from operating activities		
Net Profit as per Profit & Loss A/c	625,518.00	547,262.00
Adjustments for :		
Depreciation	14,805.00	70,914.00
P/P Expenses	0.00	0.00
Income Tax	191,955.00	169,000.00
Operation profit before working capital changes	448,366.00	449,176.00
Change in Current Assets:-		
Decrease (Increase) in Trade & Other Receivables	(10,220,935.00)	(39,566,126.00)
Decrease (Increase) in Inventory	44,333.00	203,184.00
Decrease (Increase) in Loans & Advances	(10,766,573.00)	21,770,899.00
Decrease (Increase) in Other Assets	(121,897.00)	(96,957.00)
Change in Current Liabilities	29,427,889.00	85,198,757.00
Increase (Decrease) in provisions (Other than Taxes)	137,150.00	(35,872.00)
NET CASH FROM OPERATING ACTIVITIES	8,499,967.00	67,474,385.00
Cash flows from investing activities		
(Purchase) / Sale of Investment	(100,000.00)	(500,000.00)
Purchase of fixed Assets	-	-
Sale of fixed Assets	-	-
NET CASH FROM INVESTING ACTIVITIES	(100,000.00)	(500,000.00)
Cash flows from Financing activities		
Increase / (Repayment) of Secured/unsecured loans	(9,802,063.00)	(67,180,645.00)
Preliminary Expenses incurred	-	-
Increase from issue of Fresh capital	-	-
NET CASH FROM FINANCING ACTIVITIES	(9,802,063.00)	(67,180,645.00)
Net Increase(Decrease) in cash and cash equivalents	(953,730.00)	242,916.00
Cash and Cash equivalents beginning of year	1,612,907.00	1,369,991.00
Cash and Cash equivalents at end of year	659,177.00	1,612,907.00

Notes:1

Figures in brackets indicate cash outflow

Notes:2

This is the cash flow statement referred to in our report of even date prepared under the indirect method, set out in AS-3

As per our report of even date

For J Agarwal & Associates,
Chartered Accountants,
FRN. 002601C

For and on behalf of Board of Directors

CA JALAJ AGARWAL
(PARTNER)
M. No. 071738

RAVI KUMAR SABLAK
(MANAGING DIRECTOR)
DIN : 07241345

ANKUR AGARWAL
(DIRECTOR)
DIN : 06598310

Place : Delhi

Date : 28/05/2016



For CITYON SYSTEMS (INDIA) LTD.

CHIEF FINANCIAL OFFICER

For Cityon Systems (India) Ltd.

Company Secretary

SIGNIFICANT ACCOUNTING POLICIES & NOTES TO THE ACCOUNTS

1. SYSTEM OF ACCOUNTING

The accounts are prepared on accrual basis under historical cost convention and to comply in all material aspects with applicable accounting standards in India, issued by the institute of chartered accountants of India and the relevant provisions of the companies act, 2013.

2. INVENTORIES

The practice of the company is to value closing stock at lower of cost or net realizable value.

3. INVESTMENTS

Long term investments are carried at cost price

4. FIXED ASSETS

FIXED Assets are stated at cost of acquisition less depreciation as per Companies Act 2013.

5. DEPRECIATION

On Assets acquired and put to, is provided on Written Down Value Method.

6. REVENUE RECOGNITION

Revenue is recognized on accrual basis.

7. PROVISIONS, CONTINGENT LIABILITY & CONTINGENT ASSETS

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events in the Notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

8. BORROWING COST

Borrowing costs that are attributable to the acquisition/construction of qualifying assets are capitalized as part of cost of such assets. A qualifying asset is an asset that requires a substantial period of time to get ready for its intended use. All other borrowing costs are recognized as an expense in the period in which they are incurred.

9. TAXES ON INCOME

Provision for tax on income for the year (i.e. Current tax) is made after considering the various Deductions/reliefs admissible under the income Tax Act 1961 as per the normal provisions of the act. Deferred tax assets are not recognized as per the conservative approach.

10. IMPAIRMENT OF ASSETS

The company assesses at each Balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than the carrying amount, the carrying amount is reduced to the recoverable amount. The reduction is treated as an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

11. The company has accounted for Interest Income of Rs. 3,85,000.00 & Discount Received of Rs. 19,232.00 relating to prior period.

12. The current assets, loans and advances are approximately of the value stated, if realized in the ordinary course of business. The provisions for all known liabilities are adequate and not in excess of the amount considered reasonably necessary. These amounts are subject to confirmation.

13. Gross depreciation for the year Rs. 14,805.00 (Prev. Yr. Rs. 70,914.00).

14. No Commission on Sales has been paid or is payable as at date.

15. Disclosure of Segment reporting as per Accounting Standard (As-17) issued by the Institute of Chartered Accountants of India is as follows

Segment information for the year ended 31st March, 2016

a) Information about Primary Business Segments

(Rupees
in Lacs)

PARTICULARS	31 March, 2016					31 March, 2015				
	SHARES TRADING	COTTON CLOTH TRADING	IRON PRODUCTS	INTEREST INCOME	TOTAL	SHARES TRADING	COTTON CLOTH TRADING	IRON PRODUCTS	INTEREST INCOME	TOTAL
REVENUES										
External	180.07	242.60	189.52	20.45	632.64	276.99	286.76	71.08	49.11	683.94
Inter - Segment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Revenues	180.07	242.60	189.52	20.45	632.64	276.99	286.76	71.08	49.11	683.94
RESULTS										
Operating Profit Before Tax (PBT)	34	(5.07)	22.94	20.44	38.65	(0.40)	(16.74)	7.08	49.11	39.05
Unallocated Costs					36.67					33.58
Less: Tax Provision					1.91					1.69
Profit After Tax (PAT)					4.34					3.78
Segment Assets										
Unallocated Assets					5017.34					4816.79
Total Assets		0.00	0.00	0.00	5017.34		0.00	0.00	0.00	4816.79
Segment Liabilities										
Unallocated Liabilities					2994.57					2796.94
Total Liabilities		0.00	0.00	0.00	2994.57		0.00	0.00	0.00	2796.94
Capital Employed		0.00	0.00	0.00	2022.77		0.00	0.00	0.00	2019.85

b) Information about Secondary Business Segments

Revenue by Geographical Market

(Rupees in Lacs)

Sr. No.	PARTICULARS	2015-16				2014-15		
		WITHIN INDIA	OUTSIDE INDIA		TOTAL	WITHIN INDIA	OUTSIDE INDIA	TOTAL
1	External	632.64	0.00		632.64	683.94	0.00	683.94
2	Inter Segment	0.00	0.00		0.00	0.00	0.00	0.00
	Total	632.64	0.00		632.64	683.94	0.00	683.94
	Additions to Fixed Assets				0.00			0.00

The Company is organized into four main business segments, namely:

- Cotton Trading
- Iron Products Trading
- Interest Income
- Trading of shares

Segments have been identified and reported considering the distinct nature of products and differing risks and returns accruing there from, the organization structure, and the internal financial reporting systems. Segment Revenue in each of the above business segments primarily includes domestic and export sales, export incentives and other miscellaneous income. It also includes Inter Segment transfers priced at cost plus a predetermined rate of profit.

The Segment Revenue in the geographical segments considered for disclosure are as follows:

- Revenue within India includes sales to customers located within India and earnings in India.
- Revenue outside India includes sales to customers located outside India and earnings outside India.

16. Disclosure of Related Party Transactions in accordance with Accounting Standard (AS-18) "Related Party Disclosures" issued by the Institute of Chartered Accountants of India

Related party where significant influence exists is mentioned below:

Party	Relationship
Rich Udyog Network	Entity in which Director can exercise significant control
Nikki Global Finance Ltd.	Entity in which Director can exercise significant control

17. During the year under consideration no borrowing cost has capitalized by the company in accordance with the Accounting Standard 16. 'Borrowing Cost' issued by the Institute of Chartered Accountants of India.

18. The figure of the previous year have been regrouped/ rearranged wherever necessary in order to make them comparable with the figures of the current year.

19. Figures have been rounded off to the two decimals places.

20. Income Tax department has raised demand of Rs. 3, 86, 21, 697.00 relating to A.Y. 2011-12 on 31.03.2014. The company has filed appeal against the relevant AO's order relating to A.Y. 2011-12 on 24.04.2014 before the First Appellant Authority. This is a contingent liability which has not been provided for in books of accounts.

In terms of our attached report of even date
For J AGARWAL AND ASSOCIATES
CHARTERED ACCOUNTANTS
002601C



CA JALAJ AGARWAL
(PARTNER)
M. NO. : 071738

For CITYON SYSTEMS (INDIA) LTD.

RAVI KUMAR SABLOK
(MANAGING DIRECTOR)
(DIN : 07241345)

ANKUR AGARWAL
(DIRECTOR)
(DIN : 06598310)

Date : 28/05/2016
Place: DELHI

For Cityon Systems (India) Ltd.
CHIEF FINANCIAL OFFICER
Company Secretary

PROXY FORM

{Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014}

ANNUAL GENERAL MEETING – SEPTEMBER 29, 2016

CITYON SYSTEMS (INDIA) LIMITED

Regd. Office: 215, Delhi Chambers, Delhi Gate, Delhi -110002

CIN: L72900DL2004PLC126096

Name of the member(s)	:
Registered Address	:
E-mail ID	:
Folio No/Client ID	:
DP ID	:

I / We, being the member(s) of the above named Company hold shares, hereby appoint:

Name:	Address:
E-mail ID:	Signature:

or failing him/her

Name:	Address:
E-mail ID:	Signature:

or failing him/her

Name:	Address:
E-mail ID:	Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the Company, to be held on Thursday, September 29, 2016 at 10.30 a.m. at 215, Delhi Chambers, Delhi Gate, Delhi-110002 and at any adjournment thereof in respect of such resolutions as are indicated below:

Ordinary Business

1. Adoption of audited financial statements for the financial year ended 31st March, 2016 and the Reports of Board of Directors and Auditors thereon (Ordinary Resolution).
2. Re-appointment of Mr. Abhishek Tandon (DIN: 03530860) who retires by rotation (Ordinary Resolution).
3. Re-appointment of M/s. J Agarwal & Associates, Chartered Accountants, Kanpur as Statutory Auditors of the Company and fixing their remuneration (Ordinary Resolution).

Special Business

4. Appointment of Mr. Mukesh Kumar as Whole Time Director for further period of 5 years commencing from June 1, 2016 to May 31, 2021 (Special Resolution).
5. Appointment of Mr. Ankur Agarwal as Whole Time Director for further period of 5 years commencing from June 1, 2016 to May 31, 2021 (Special Resolution).
6. Authorization to (i) give any loans to any person(s) or other body corporate(s), or (ii) give any guarantees or to provide security in connection with a loan to any other body corporate(s) or person(s), or (iii) acquire by way of subscription, purchase or otherwise, the securities of any other body corporate(s) exceeding sixty percent of Company's paid up capital and its free reserves and securities premium account or one hundred percent of its free reserves and securities premium account, provided that the total loans or investments made, guarantees given, and securities provided shall not exceed an aggregate amount of Rs. 200 Crores and rectification of earlier transactions (Special Resolution).
7. Authorization to make transactions with related party(ies) being in ordinary course of business and on arms length basis and rectification of earlier transactions (Special Resolution).
8. Authorization to borrow any sum or sums of money from time to time on such terms and conditions and with or without security as the Board may think fit which, together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business), may exceed the aggregate for the time being of the paid-up capital and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount of money/moneys so borrowed by the Board shall not at any point of time exceed the limit of Rs. 100 Crores (Rupees Hundred Crores Only) (Special Resolution).

Signed this day of 2016.

Signature of shareholder:

Signature of Proxy holder(s):

Affix 1
Rupees
Revenue
Stamp

Note: 1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.

2. A person can act as a Proxy on behalf of not more than fifty members holding in aggregate, not more than ten percent of the total share capital of the Company. Members holding more than ten percent of the total share capital of the Company may appoint a single person as Proxy, who shall not act as a Proxy for any other Member

ATTEDANCE SLIP

ANNUAL GENERAL MEETING – SEPTEMBER 29, 2016

CITYON SYSTEMS (INDIA) LIMITED

Regd. Office: 215, Delhi Chambers, Delhi Gate, Delhi - 110002

CIN: L72900DL2004PLC126096

DP ID/Client ID/Folio No.

No. of shares held

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

I, hereby record my presence at the Annual General Meeting held on Thursday, September 29, 2016 at 10:30 a.m. at 215, Delhi Chambers, Delhi Gate, Delhi -110002.

Name of the Member

Name of the Proxy

Signature

Note: Please complete this Attendance Slip and hand it over at the Attendance Verification Counter at the entrance of the meeting hall. Members are requested to bring their copy of the Annual Report for reference at the meeting.

Route Map for Annual General Meeting of Cityon Systems (India) Limited



Dariya Ganj

Dariya Ganj, New Delhi, Delhi 110002

24 min

