

INFORMATION MEMORANDUM
[In accordance with SEBI (Listing of specified
securities on Institutional Trading Platform)
Regulations, 2013]



CITYON SYSTEMS (INDIA) LIMITED

Our Company was incorporated as “Cityon Systems (India) Private Limited” under the Companies Act, 1956 vide certificate of incorporation dated April 27, 2004 issued by the Registrar of Companies, National Capital Territory of Delhi & Haryana. Our Company converted into a Public Limited Company vide fresh Certificate of Incorporation dated March 12, 2008 and consequently name of our company was changed to “Cityon Systems (India) Limited”. The Corporate Identification Number of our company is U72900DL2004PLC126096.

Registered Office & Corporate Office: 215, Delhi Chambers, Delhi Gate,, Delhi-110002.
Tel: +91-11-41563395, 43667149
E-Mail: info@cityonsystems.in; **Website:** www.cityonsystems.in
Contact Person & Compliance Officer: Mr. Sunil Kumar Tripathy

This Information Document is in terms of the Chapter XC of the SEBI (ICDR) Regulations, 2009, as amended from time to time and we propose to list our Equity Shares on Institution Trading Platform (ITP) of BSE SME.

TABLE OF CONTENTS

I	GENERAL	
	Definitions and Abbreviations.....	01
	General Information.....	03
	Eligibility Criteria.....	05
II	BUSINESS	
	Description of our Business and Operations.....	06
	Financial Information.....	10
	Capital Structure.....	49
	Description of Property.....	55
III	RISK FACTORS.....	56
IV	SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT.....	63
V	OUR MANAGEMENT.....	64
VI	OUR PROMOTERS.....	72
VII	RELATED PARTY TRANSACTIONS.....	73
VIII	OUTSTANDING LITIGATIONS.....	74
IX	DECLARATION.....	75

SECTION I – GENERAL**DEFINITIONS AND ABBREVIATIONS**

Unless the context otherwise requires, in the Information Memorandum, all references to “CITYON”, “CSIL”, “our Company”, “the Company”, “we”, “us” are to Cityon Systems (India) Limited.

Term	Description
“CITYON”, “CSIL”, “our Company”, “the Company”, “we”, “us”	Cityon Systems (India) Limited having its registered Office at 215, Delhi Chambers, Delhi Gate, Delhi-110002
AOA/Articles/Articles of Association	Article of Association of the Company, as amended from time to time, unless the context otherwise specifies
Auditors / Statutory Auditors	The Statutory Auditors of the Company, M/s J Agarwal & Associates, Chartered Accountant.
Banker(s) to the Company	HDFC Bank Ltd, Delhi
Board of Directors/ Board/ Directors	The board of directors of the Company or a committee constituted thereof, unless the context otherwise specifies
BSE / Bombay Stock Exchange Limited / Stock Exchange	BSE Limited
BSE SME	SME platform of BSE Limited
Director(s)	The director(s) of the Company, unless otherwise specified.
Equity Shares	Equity shares of the Company of face value of Rs. 10 each, fully paid up, unless otherwise specified in the context thereof
Information Memorandum / Information Document	This document as filed with the Stock Exchanges is known as and referred to as the Information Memorandum
MoA/ Memorandum/ Memorandum of Association	The Memorandum of Association of Cityon Systems (India) Limited
Promoters	The promoters of the Company.
Promoter Group	Includes such persons and entities constituting our promoter group in terms of Regulation 2 (1)(zb) of the SEBI ICDR Regulations
Registered Office	The registered office of the Company at 215, Delhi Chambers, Delhi Gate, Delhi-110002
Registrar/ Registrar & Share Transfer Agent	The Registrar & Share Transfer Agent of the Company, Skyline Financial Services Private Limited

Abbreviations

Term	Description
Act or Companies Act	The Companies Act, 1956 and amendments thereto The Companies Act, 2013, to the extent of such of the sections as have come into force till the date of filing of this Information Memorandum.
AGM	Annual General Meeting
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
AY	Assessment Year
BIFR	Board for Industrial and Financial Reconstruction
CG	Central government
CIN	Corporate Identification Number

CDSL	Central Depository Services (India) Limited
Depositories	NSDL and CDSL
Depositories Act	The Depositories Act, 1996 as amended from time to time
DP/ Depository Participant	A depository participant as defined under the Depositories Act, 1996
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation
EGM	Extraordinary General Meeting
EPS	Earnings per Equity Share
Financial year/fiscal/ FY	Period of twelve months ended March 31 of that particular year, unless otherwise stated
HUF	Hindu Undivided Family
Indian GAAP	Generally Accepted Accounting Principles in India
I. T. Act	The Income-tax Act, 1961, as amended from time to time, except as stated otherwise
ITP	Institution Trading Platform of BSE SME
Listing Agreement	Listing agreement to be entered into by the Company with the Stock Exchange
NA	Not Applicable
NAV	Net Asset Value being paid up equity share capital plus free reserves (excluding reserves created out of revaluation) less deferred expenditure not written off (including miscellaneous expenses not written off) and debit balance of Profit and Loss account, divided by number of issued Equity Shares
NSDL	National Securities Depository Limited
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number allotted under the Income Tax Act, 1961
PAT	Profit after tax
PBT	Profit before tax
RBI	Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934, as amended from time to time
RoC	Registrar of Companies, N.C.T. of Delhi & Haryana
Rs.	Indian Rupees
RSE	Regional Stock Exchange
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, 1992, as amended from time to time
SEBI Act	Securities and Exchange Board of India Act 1992, as amended from time to time
SEBI (ICDR) Regulations/ SEBI Regulations	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 including instructions and clarifications issued by SEBI from time to time.
State Government	The government of a state of the Union of India
UIN	Unique Identification Number

GENERAL INFORMATION

Our Company was incorporated as “Cityon systems (India) Private Limited” under the Companies Act, 1956 vide certificate of incorporation dated April 27, 2004 issued by the Registrar of Companies, National Capital Territory of Delhi & Haryana. Our Company converted into a Public Limited Company vide fresh Certificate of Incorporation dated March 12, 2008 and consequently name of our company was changed to “Cityon Systems (India) Limited”. The Corporate Identification Number of our company is U72900DL2004PLC126096.

REGISTERED OFFICE

215, Delhi Chambers,
Delhi Gate
Delhi-110002
Tel: +91-11-41563395, 43667149
Website: www.cityonsystems.in
E-Mail: info@cityonsystems.in

ADDRESS OF REGISTRAR OF COMPANIES,

Our Company is registered with the Registrar of Companies, National Capital Territory of Delhi & Haryana, situated at the following address:

4th Floor, IFCI Tower,
61, Nehru Place, New Delhi- 110019
Tel: 011-26235707, 26235708, 26235709
Fax: 011-26235702,
Email: roc.delhi@mca.gov.in

BOARD OF DIRECTORS

Our Board of Directors comprise of the following members:

Name and DIN	Designation	Category	Age (years)	Address
Mr. Om Prakash Agarwal DIN: 03358726	Chairman	Non-Executive & Independent	48	C-120, Block - C, Tagore Garden Extn, New Delhi - 110027
Mr. Man Mohan Singh DIN: 06832041	Managing Director	Executive & Non- Independent	60	Flat No. 975-S/F PKT GH-13, Paschim Vihar, New Delhi - 110087
Mr. Mukesh Kumar DIN: 06573251	Director	Executive & Non- Independent	53	88, Ganjshahida (Ansha), H. No. 1, Se Nagar Palika, Parishad, Ujhani, Tehsil - Badayooue,, Badayooue, Uttar Pradesh - 243639
Mr. Ankur Agarwal DIN: 06598310	Director	Executive & Non-Independent	25	88, Ganjshaheeda (Ansha), Ma. Nan. Nagar PalikaParishadUjh, Tehsil-Budaun, Badayoaye, Uttar Pradesh - 243639
Mr. Abhishek Tandon DIN: 03530860	Director	Non-Executive & Non-Independent	30	B-184, Block-B, DDA Flats, Mount Kailash EOK,, Delhi - 110001
Mr. Gaya Prasad Gupta DIN: 00335302	Director	Non-Executive & Independent	65	23/56, Patkapur, Kanpur, Uttar Pradesh - 208001

Mr. Anoop Srivastava DIN: 06571462	Director	Non-Executive & Independent	40	House No. 179/11, Chak No. 129, Babu Purwa New Colony, Kanpur, Uttar Pradesh - 208011
---------------------------------------	----------	--------------------------------	----	---------------------------------------------------------------------------------------------

For further details of Management of our Company, please refer to section titled "Our Management" on page no 64 of this Information Memorandum.

COMPANY SECRETARY AND COMPLIANCE OFFICER

Sunil Kumar Tripathy
215, Delhi Chambers,
Delhi Gate
Delhi-110002
Tel: +91-11-41563395, 43667149
E-Mail: info@cityonsystems.in
Website: www.cityonsystems.in

STATUTORY AUDITORS

J Agarwal & Associates
124, Hemant Vihar, Barra-2,
Kanpur, Uttar Pradesh-208027
Telephone: +91-9235444005
Firm Registration No.: 002601C
Contact Person: Jalaj Agarwal

REGISTRAR TO THE COMPANY

Skyline Financial Services Private Limited
D-153A, 1st Floor, Okhla Industrial Area, Phase-I,
New Delhi -110020
Tel: +91 – 11 – 2681 2682;
Fax: +91 – 11 – 30857562
Email: admin@skylinerta.com;
Investor Grievance Email: viren@skylinerta.com
Website: www.skylinerta.com
Contact Person: Mr. Virender Rana

BANKERS TO THE COMPANY

HDFC Bank Ltd
H-69 Outer Circle, Connaught Circus
New Delhi – 110001
Tel: + +91-9313853242
Contact Person: Amit Kumar Tiwari

ABSOLUTE RESPONSIBILITY OF CITYON SYSTEMS (INDIA) LIMITED

Cityon Systems (India) Limited having made all reasonable inquiries, accepts responsibility for, and confirms that this Information Memorandum contains all information with regard to the Company, which is material and that the information contained in the Information Memorandum is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Information Memorandum as a whole or any part thereof, misleading in any material respect.

ELIGIBILITY CRITERIA

We are an unlisted company as on the date of filing of this Information Memorandum and we propose to list our Equity Shares on Institution Trading Platform (ITP) of BSE SME in terms of the Chapter XC of the SEBI (ICDR) Regulations, 2009. Our Company is eligible for the listing in terms of 106 Y and other provisions of Chapter XC of the SEBI (ICDR) Regulations, 2009.

We Confirm that:

1. The name of our company, our promoters, any of our group companies or directors does not appear in the wilful defaulters list of Reserve Bank of India as maintained by Credit Information Bureau (India) Limited;
2. There is no winding up petition against our company that has been admitted by a competent court;
3. Our company, group companies or subsidiaries have not been referred to the Board for Industrial and Financial Reconstruction within a period of five years prior to the date of application for listing;
4. No regulatory action has been taken against our company, our promoter or director, by the Board, Reserve Bank of India, Insurance Regulatory and Development Authority or Ministry of Corporate Affairs within a period of five years prior to the date of application for listing;
5. We were incorporated on April 27, 2004 and thus have not completed more than ten years after incorporation and our revenues have not exceeded Rs. One Hundred Crores in any of the previous financial years.
6. The paid up capital of our company has not exceeded twenty five crore rupees in any of the previous financial years;
7. Having been incorporated in the financial year 2004-05, we have more than one years' audited financial statement at the time of making this application.;
8. In accordance with Regulation 106 Y (h) (i) of SEBI (ICDR) Regulations, 2009, M/s Next Orbit Ventures Fund, being a registered venture capital fund, has invested a sum of Rs. 51 Lacs by acquisition of 5,10,000 equity shares of our Company.

EQUITY SHARES IN DEMATERIALIZED FORM WITH NSDL OR CDSL

As per Regulation 106ZC of SEBI (ICDR) Regulations, all the equity shares of our Company sought to be listed are held in dematerialized form and shall continue to be held in dematerialized form upon listing on institutional trading platform. In this context, two tripartite agreements have been signed among us, the respective Depositories and the Registrar to the Issue:

- a. a tripartite agreement dated August 26, 2013 entered between NSDL, our Company and Registrar to the Issue;
- b. a tripartite agreement dated August 10, 2013 entered between CDSL, our Company and Registrar to the Issue;

GENERAL DISCLAIMER FROM THE COMPANY

The Company accepts no responsibility for statement made otherwise than in the Information Memorandum or any other material issued by or at the instance of the Company and anyone placing reliance on any other source of information would be doing so at his or her own risk. All information shall be made available by the Company to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner.

SECTION II – BUSINESS

DESCRIPTION OF OUR BUSINESS AND OPERATIONS

Our Company was incorporated as “Cityon systems (India) Private Limited” under the Companies Act, 1956 vide certificate of incorporation dated April 27, 2004 issued by the Registrar of Companies, National Capital Territory of Delhi & Haryana with main object to carry on the business of import, export, purchase, assemble, stockist, distributors, agents, dealers, traders, designers and jobbers in all type of computers, computers software, computer hardware, data entries etc.

In the year 2008, our Company was converted into a Public Limited Company vide fresh Certificate of Incorporation dated March 12, 2008 and consequently name of our company was changed to “Cityon Systems (India) Limited”. Further the object clause was amended vide special resolution dated December 03, 2007 and March 11, 2013 to widen the scope and to enable our Company to carry on the business of general merchants, traders, importers and exporters, representatives in all types of Electric Goods, Iron & Steel, Shares, Chemicals etc.

In the year 2012, there was a change in the Promoters of our company. Mr. Mukesh Kumar and Mr. Ankur Agarwal came in as the new promoters of the Company. .

Our Company is engaged in trading of diversified products ranging from Iron and Steel and chemicals to computer software and hardware. We execute bulk orders in a diverse range of products, which ensure trading in large quantities. We have a marketing team, which procures orders from various segments and we have a large network of suppliers from whom we can procure products at highly competitive rates, our Company’s gains accrue from economies of scale.

We supply a diverse range of goods comprising of Electric Goods, Iron & Steel, Shares, and Chemicals etc. Our current and proposed core business models include trading of the following:

(i) Iron and Steel Products (ii) Chemicals (iii) Share Trading (iv) Electric goods. Our business operations are geographically spread across India and our activities are carried out from our Registered Office.

Commencing from the Financial Year 2012-13, our Company has been exploring various avenues for developing export trade. Our export turnover during the period was Rs. 1,13,20,540, which accounted for 92.45% of the total turnover. We exported chemicals to Iran and UAE.

On the buy side, our Company has entered into agreements with two Singapore based companies, Yog Trading Pte. Limited and Richfield Exim Pte. Limited, for procurement of various kinds of chemicals.

COMPETITIVE STRENGTHS

Vast, Diverse and Growing Product Selection

We believe that our strength lies in our ability to identify a diverse range of products, where bulk trading opportunities are available. Products like Iron and Steel are always in demand and can be easily procured from the manufacturing units.

Experienced Directors and Management Team

Our Directors and business management group are experienced within their respective specialised segments. Our Director Mr. Man Mohan Singh with over 30 years of experience will have a major role in the growth and development of our business. We also have senior professionals, as a part of our management team, who have domain knowledge and experience. We believe that, our

management team possesses an in-depth understanding of the trading activities, and is therefore well - positioned to focus on the continued expansion and strengthening of our business activities.

Strong Relationships in the Industry

As an established entity, engaged in various aspects having a wide network within the trading community in India, we believe that we have managed to create, maintain and build our goodwill with various other industry participants. We believe that this has led to repeat business transactions with established entities in the industry for acquisition and supply of various products across various segments.

OUR BUSINESS STRATEGY

Our overall strategy is to evolve an exhaustive portfolio of products for trading so as to achieve higher sales turnover in both the domestic as well as the international market. Going forward we envisage an international marketing network on the supply side and an equally strong network for procurement internationally. Our strategy is designed to address predictability, scalability and sustainability, ultimately resulting in profitability.

We intend to establish our presence in markets by leveraging our domestic experience and seeking Cost and operational advantages. We will continue to focus on expansion of market share and strengthening our client base. We carry on the business of general merchants, traders, importers and export representatives in all types of Electric Goods, Iron and Steel, Shares, and Chemicals etc. We believe our experience in these industries enables us to effectively identify and drive new business opportunities.

SWOT ANALYSIS

Strengths

- Integrated Business Model
- Locational Advantage
- Experienced Management Team

Weakness

- Revenue and profitability is directly linked to the identification of new products and its economic procurement.
- Rapid changes in the demand behaviour of the consumers.

Opportunities

- Growing awareness among customers about new products.
- New demand for electronic and other industrial products for expansion.
- Increase in construction and infrastructure sector enabling large demand for steel and other construction materials.

Threats

- There are no entry barriers in our Industry which puts us to the threat of competition from new entrants.
- Any change or shift of focus of Government policies may adversely impact our financials.

THE SOURCES AND AVAILABILITY OF RAW MATERIALS

Not being in the manufacturing industry, our Company does not have any raw material requirement. We carry out trading activity and the products we trade in are procured from our network of suppliers.

Our Company has entered agreements with following Singapore based suppliers to supply different kind of chemicals:


1. Yog Trading Pte. Limited, having
2. Richfield Exim Pte. Limited

We strive to constantly align with newer sources of supplies so as to widen our network of suppliers so as to ensure that we are not dependent on any single supplier, thus ensuring that we remain competitive and ever alert in the course of our procurement activity.

THE IMPORTANCE OF THE SEGMENT

It is an indisputable fact that, Trade is an indispensable means for sustaining the economic growth and development of a nation. Trading enables mutual exchange of goods and services and is also the foundation of markets comprising diverse goods and services. Goods and services are in turn, an embodiment of the division of labour in a society since they represent diverse kinds of labour and skills. Trading is the process by which the value of goods is realised by the manufacturer/ producer.

INTELLECTUAL PROPERTY

Presently, we do not own any patent or trademark. Further we have not made an application for registration of our trademark/logo  under the Trade Marks Act and consequently do not enjoy the statutory protections accorded to a trademark registered in India.

LICENSES

Except for the Import Export Code No. 0504026313, originally issued and renewed by the Asst. Director General of Foreign Trade vide certificate dated July 15, 2004 and December 30, 2013 respectively, our business operations do not envisage any requirement of licenses.

FRANCHISEE

As on date we do not have any franchisee.

CONCESSIONS

We have not entered in to any concession agreement.

WORKING CAPITAL

Our Company is engaged in the business of trading and we require a substantial amount of working capital to finance the purchase of products. Our working capital requirement arises out of the inventory we hold and our trade receivables. As at September 30, 2013, our inventory holding was to the tune of Rs. 32.84 lacs and trade receivables were Rs. 756.08 lacs.

These requirements are met through short term borrowings and are also partially met by trade payables.

Companies engaged in similar line of activity in which we operate, finance their working capital requirements through short term borrowings, their own funds and through working capital funding provided by banks and other financial institutions.

RESEARCH & DEVELOPMENTS

We have not incurred any amount during the last three fiscal years on company-sponsored research and development activities.

HUMAN RESOURCE

We believe that we have a qualified and experienced employee base, managed by middle and senior management personnel.

As on date of this Information Memorandum, our Company has 9 employees.

Our Company expects that human resources and employee recruitment activities will increase as the Company's business grows.

FINANCIAL INFORMATION

TO THE MEMBERS CITYONS SYSTEMS (INDIA) LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **CITYONS SYSTEMS (INDIA) LTD.**, which comprise the Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies, Notes to Accounts and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the 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 the internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management, 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.

Opinion

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

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date, and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (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, 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 Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2013 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

For J AGARWAL AND ASSOCIATES
Chartered Accountants

Place : New Delhi
Date : 10/07/2013

Sd/-
CA JALAJ AGARWAL
PARTNER
M.NO. 071738

ANNEXURE TO THE AUDITORS' REPORT

Referred to in our Report of even date:

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
(b) All the assets have been physically verified by the management during the year, there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
(c) No disposal of fixed assets of the Company has taken place during the year.
2. (a) As explained to us, the Inventories has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
(b) In our opinion and according to the information and explanation given to us, the procedure of physical verification of Inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its Business.
(c) In our opinion and according to the information and explanation given to us, the Company has maintained proper records of its Inventories.
3. In our opinion and according to the information and explanation given to us, the Company has granted or taken loans & advances unsecured to or from the Companies, Firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956 & these transactions have been appropriately entered in the register maintained under section 301 of the Companies Act, 1956.
4. The Company has adequate internal control procedure commensurate with the size of the Company and nature of its Business with regard to purchase of stores, raw materials including components, plant and machinery, equipment and other assets, and for sale of goods. We have not come across any major weakness in internal control.
5. (a) In our opinion and according to the information and explanations given to us, the transactions that need to be entered into a register in pursuance of section 301 of the Companies Act, 1956, have been so entered.
(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contract or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding rupees five lakhs each have been made at prices, which are reasonable having regard to prevailing market prices at the relevant time.
6. In our opinion and according to the information and explanations given to us, the Company has not accepted / invited any deposits falling within the preview of Section 58A / 58AA of the Companies Act, 1956 during the financial year.
7. In our opinion, the Company has Internal Audit system commensurate with the size and nature of its Business.
8. As informed to us the Central Govt. has not prescribed the maintenance of cost records by the Company under Section 209 (1) (d) of the Companies Act, 1956.
9. (A) According to the records of the Company, the Company is regular in depositing with appropriate authorities undisputed Statutory dues including Provident Fund, Investor Education Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Cess and other material statutory dues applicable to it.

- (b) According to the information and explanations given to us, no undisputed amount payable in respect of Income Tax, Wealth Tax, Sales Tax, Customs Duty, Excise Duty and Cess were in arrears, as of 31st March, 2013 for a period of more than six months from the date they became payable.
- (c) According to the information and explanation given to us, there are no dues of Income Tax, Customs duty, Wealth Tax, Excise duty and Cess.
10. The Company has no accumulated losses.
11. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial Institutions, Banks or debenture holders.
12. In our opinion and according to the information and explanations given to us, the Company has not granted any loans and advance on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not chit fund or a *nidhi* / Mutual benefit fund / Society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
14. In our opinion, the Company has not dealt in trading in Shares, Securities, Debentures and other investments in F.Y. 2012-13. The company has maintained proper records for the same transactions. The company has held the securities in its own name.
15. In our opinion and according to the information and explanations given to us, the Company has not given guarantees for loans taken by others from Bank or financial institutions.
16. The Company has not taken any term loan during the year therefore the question of its application for the purpose for which they were raised does not arise.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that the no funds raised on short – term basis have been used for long-term investment. No long-term funds have been used to finance short-term assets except permanent working Capital.
18. The Company has not made preferential allotment of shares during the year to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
19. The Company has not issued any debentures during the year and therefore the question of creating security in respect thereof does not arise.
20. The Company has not made any Public Issue during the year and therefore the question of disclosing the end use of money does not arise.
21. According to the information and explanations given to us, based upon the audit procedures performed and representations made by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our Audit.

For **J AGARWAL AND ASSOCIATES**
Chartered Accountants

Place : NEW DELHI
Date : 10/07/2013

Sd/-
CA JALAJ AGARWAL
PARTNER
M.NO. 071738

BALANCE SHEET AS AT 31/03/2013

In Rs.

Balance Sheet as at	Note	31/03/2013	31/03/2012
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2.1	1,55,40,900.00	1,55,40,900.00
Reserves and surplus	2.2	15,81,59,952.03	15,80,24,790.45
Money received against share warrants		-	-
		17,37,00,852.03	17,35,65,690.45
Share application money pending allotment		-	-
Non-current liabilities			
Long-term borrowings		-	-
Deferred tax liabilities (Net)	2.3	18,713.00	21,877.00
Other Long term liabilities		-	-
Long-term provisions		-	-
		18,713.00	21,877.00
Current liabilities			
Short-term borrowings	2.4	21,11,26,378.70	16,91,33,050.70
Trade payables	2.5	20,31,94,453.01	12,88,30,710.76
Other current liabilities	2.6	6,000.00	7,500.00
Short-term provisions	2.7	74,572.00	52,100.00
		41,44,01,403.71	29,80,23,361.46
TOTAL		58,81,20,968.74	47,16,10,928.91
ASSETS			
Non-current assets			
Fixed assets			
- Tangible assets	2.8	3,27,535.00	2,61,061.00
- Intangible assets		-	-
- Capital work-in-progress		-	-
- Intangible assets under development		-	-
		3,27,535.00	2,61,061.00
Non-current investments	2.9	6,01,71,122.00	5,07,21,122.00
Deferred tax assets (net)		-	-
Long-term loans and advances	3.0	45,66,06,152.00	35,65,52,435.00
Other non-current assets	3.1	40,27,414.73	7,55,861.47
		52,11,32,223.73	40,82,90,479.47
Current assets			
Current investments			
Inventories	3.2	3,76,050.00	-
Trade receivables	3.3	6,56,58,555.64	5,08,87,374.04
Cash and cash equivalents	3.4	9,54,139.37	1,24,33,075.40
Short-term loans and advances		-	-
Other current assets		-	-
		6,69,88,745.01	6,33,20,449.44
TOTAL		58,81,20,968.74	47,16,10,928.91

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31/03/2013

In Rs.

Statement of Profit and Loss for the	Note	31/03/2013	31/03/2012
Revenue from operations	3.5	1,22,45,110.00	2,10,87,838.05
Other income	3.6	41,39,472.00	35,17,873.31
Total Revenue		1,63,84,582.00	2,46,05,711.36
Expenses			
Purchases of Stock-in-Trade	3.7	1,19,25,007.75	1,88,38,778.00
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	3.8	(3,76,050.00)	45,75,000.00
Employee benefits expense	3.9	5,00,000.00	2,40,000.00
Finance costs	4.0	3,47,592.18	4,45,388.88
Depreciation and amortization expense	4.1	64,227.00	74,480.00
Other expenses	4.2	37,28,207.49	2,54,650.00
Total expenses		1,61,88,984.42	2,44,28,296.88
Profit before tax		1,95,597.58	1,77,414.48
Tax expense:	4.3	0.00	0.00
Current tax		63,600.00	59,818.00
Deferred tax		(3,164.00)	(5,001.00)
Profit (Loss) for the period from continuing operations		1,35,161.58	1,22,597.48
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		1,35,161.58	1,22,597.48
Earnings per equity share:	4.4		
Basic		0.09	0.08
Diluted		0.09	0.08

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

In Rs.

Cash flow statement for the	31/03/2013	31/03/2012
<u>(A) Cash Flow from Operating Activities</u>		
Net Profit as per Profit & Loss A/C	1,95,597.58	1,77,414.48
Adjustment for:		
Depreciation	64,227.00	74,480.00
Interest Expenses	3,40,882.00	4,28,936.69
Interest Income	37,29,237.00	31,58,623.00
Income Tax	63,600.00	59,818.00
Operation profit before working capital changes	(31,92,130.42)	(25,37,609.83)
<u>Change in Current Asset:-</u>		
Decrease (Increase) in Trade & other Receivables	(1,47,71,181.60)	57,32,397.96
Decrease (Increase) in Inventory	(3,76,050.00)	45,75,000.00
Decrease (Increase) in Loans & Advances	(10,00,53,717.00)	(24,99,52,509.00)
Decrease (Increase) in Other Assets	(32,71,553.26)	2,14,409.40
Change in Current Liabilities	7,43,65,406.25	6,53,61,957.28
Increase (Decrease) in provisions (other than Taxes)	19,308.00	17,099.00
Net Cash From Operating Activities (A)	(4,72,79,918.03)	(17,65,89,255.19)
<u>(B) Cash Flow from Investing Activities</u>		
Purchase of Investment	(94,50,000.00)	(26,232,622.00)
Purchase of Fixed Assets	(1,30,701.00)	
Sale of Fixed Assets	-	-
Net Cash from Investing Activities (B)	(95,80,701.00)	(2,62,32,622.00)
<u>(C) Cash Flows from Financing Activities (C)</u>		
Issue of share capital proceeds/(Refund) from share Application Money	-	5,64,00,000.00
Interest Paid	(3,40,882.00)	(4,28,936.69)
Interest Received	37,29,237.00	31,58,623.00
Increase/(Repayment) of secured/unsecured loan	4,19,93,328.00	15,50,35,959.43
Net Cash From Financing Activities (C)	4,53,81,683.00	21,41,65,645.74
Net Increase (Decrease) in Cash & Cash equivalents	(1,14,78,936.03)	1,13,43,768.55
Cash & Cash equivalents beginning of the year	1,24,33,075.40	10,89,306.85
Cash and Cash Equivalents at the end of year	9,54,139.37	1,24,33,075.40

NOTES ON ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2013**2.1 Share Capital**

In Rs.

Particular	31/03/2013	31/03/2012
Authorised		
2000000 (2000000) Equity Shares EQUITY of Rs. 10/- Par Value	2,00,00,000.00	2,00,00,000.00
	2,00,00,000.00	2,00,00,000.00
Issued		
1554090 (1554090) Equity Shares EQUITY of Rs. 10/- Par Value	1,55,40,900.00	1,55,40,900.00
	1,55,40,900.00	1,55,40,900.00
Subscribed		
1554090 (1554090) Equity Shares EQUITY of Rs. 10/- Par Value	1,55,40,900.00	1,55,40,900.00
	1,55,40,900.00	1,55,40,900.00
Paid up		
1554090 (1554090) Equity Shares EQUITY of Rs. 10/- Par Value	1,55,40,900.00	1,55,40,900.00
ully Paid up		
	1,55,40,900.00	1,55,40,900.00

Holding More Than 5%

Particular	31/03/2013	% Held	31/03/2012	% Held
Big Brokers House Stocks Ltd	0.00	0.00	525000	33.78
Rich International Financial Services Ltd	0.00	0.00	350643	22.56
Rich Udyog Network Ltd	0.00	0.00	458304	29.49
Rich Universe Network Ltd	0.00	0.00	80000	5.15
Mukesh Kumar	728083	46.87	0.00	0.00
Ankur Agarwal	808947	52.08	0.00	0.00

2.2 Reserve and Surplus

In Rs.

Particular	31/03/2013	31/03/2012
Capital Reserve - Opening	1,00,00,000.00	-
Addition	-	1,00,00,000.00
Deduction	-	-
	1,00,00,000.00	1,00,00,000.00
Securities Premium Opening	14,73,03,140.15	10,55,43,140.15
Additions	-	4,17,60,000.00
	14,73,03,140.15	14,73,03,140.15
Profit and Loss Opening	7,21,650.30	5,99,052.82
Amount Transferred From Statement of P&L	1,35,161.58	1,22,597.48
	8,56,811.88	7,21,650.30
	15,81,59,952.03	15,80,24,790.45

2.3 Deferred Taxes

In Rs.

Particular	31/03/2013	31/03/2012
Deferred Tax Liabilities		
Depreciation	18,713.00	21,877.00
	18,713.00	21,877.00

2.4 Short Term Borrowings

In Rs.

Particular	31/03/2013	31/03/2012
Loans repayable on demand		
Banks		
Secured		
Kotak Mahindra Bank	2,061.70	2,061.70
IDBI Delhi A/C No. 016710200014979	0.00	1,48,40,015.00
SBI New OD A/C No. 32097110832	0.00	30,90,024.00
Other loans and advances		
Unsecured		
Horizon Portfolio Ltd.	2,00,000.00	0.00
Aman Singh	0.00	30,00,000.00
Arun Kumar	0.00	30,00,000.00
Bansal Suppliers Pvt. Ltd	19,30,450.00	79,59,950.00
Basudev Kumar	45,75,000.00	45,75,000.00
Big Broker House Stocks Ltd.	7,80,80,000.00	5,93,80,000.00
Cityon Infrastructure Pvt. Ltd.	3,14,45,500.00	17,45,500.00
Cityon Nano Technology Pvt. Ltd.	83,85,000.00	29,85,000.00
Cityon Solar Ltd.	97,00,000.00	48,00,000.00
Kapil Bajpai	0.00	19,20,000.00
Manju Rani Agarwal	5,00,000.00	5,00,000.00
Manoj Gupta	0.00	30,00,000.00
Mp Agarwal & Sons	21,00,000.00	21,00,000.00
Nikki Global Finance Ltd.	86,00,000.00	0.00
Nirbharant Management	48,58,000.00	31,68,000.00
Rich International Financial Services	1,98,00,000.00	2,35,00,000.00
Sakshi Tandon	5,13,500.00	5,13,500.00
Samarth Tandon	15,40,500.00	15,40,500.00
Sameer Mittal	0.00	30,00,000.00
Sandeep Kumar	0.00	30,00,000.00
Sanjay Sharma	0.00	30,00,000.00
Sanjay Tandon	0.00	5,13,500.00
Saurav Sharma	0.00	30,00,000.00
Shyam Jain	0.00	30,00,000.00
Snigdha Agarwal	5,00,000.00	0.00
Sunil Singh	0.00	30,00,000.00
Sunil Vaidh	0.00	30,00,000.00
Unsecured Loan	3,83,96,367.00	0.00
Vinod Kumar	0.00	30,00,000.00
Vipin Singh	0.00	30,00,000.00
	21,11,26,378.70	16,91,33,050.70

2.5 Trade Payables

In Rs.

Particular	31/03/2013	31/03/2012
Creditors Due others		
Agm Kesco Kanpur	0	42,32,495.76
Kpk Finance Consultancy Pvt. Ltd	39,20,000.00	39,20,000.00
Nikki Global Sale & Purchase	0.00	28,00,000.00
Prem Steel	1,95,780.00	0.00
Rich Udyog Network Ltd	17,32,30,251.76	9,98,70,400.00

Shashwat Agarwal	1,29,49,275.00	1,51,90,531.00
Star Enterprises	23,37,015.00	15,39,629.00
Unitech Ltd.	0	12,77,655.00
Yog Trading Pte Ltd.	1,05,62,131.25	0.00
	20,31,94,453.01	12,88,30,710.76

2.6 Other Current Liabilities

Particular	In Rs.	
	31/03/2013	31/03/2012
Other payables		
Other Current Liabilities		
TDS PAYABLE	6,000.00	75,00.00
	6,000.00	75,00.00

2.7 Short Term Provisions

Particular	In Rs.	
	31/03/2013	31/03/2012
Others	74,572.00	52,100.00
	74,572.00	52,100.00

2.8 Tangible assets

Particulars	Rate	Gross Block		Depreciation		Impairment For the Year Ended 31/03/2013	Net Block		
		01/04/2012		01/04/2012			31/03/2013		
		Rupees	Rupees	Rupees	Rupees		Rupees	Rupees	
PLANT & MACHINERY									
Air Purifire	13.91%	0.00	46,496.00	0.00	2,304.00		44,192.00	0.00	
Air Conditioner	13.91%	45,608.00	1,02,513.00	22,769.00	9,813.00		69,931.00	22,839.00	
Telephone	13.91%	11,588.00	11,588.00	4,962.00	922.00		5,704.00	6,626.00	
Invertor	13.91%	58,603.00	85,903.00	25,254.00	6,928.00		53,721.00	33,349.00	
Video Camera	13.91%	30,400.00	30,400.00	14,704.00	2,183.00		13,513.00	15,696.00	
Vaccume Cleaner	13.91%	14,200.00	14,200.00	6,034.00	1,136.00		7,030.00	8,166.00	
Television	13.91%	56,989.00	56,989.00	23,898.00	4,603.00		28,488.00	33,091.00	
Epbx Machine	13.91%	70,242.00	70,242.00	27,583.00	5,934.00		36,725.00	42,659.00	
Mobile	13.91%	3,999.00	3,999.00	3,999.00	0.00		0.00	0.00	
Computer & Peripherals	40.00%	3,65,834.00	3,65,834.00	3,01,890.00	25,578.00		38,366.00	63,944.00	
Solar Lantern	13.91%	41,902.00	41,902.00	18,387.00	3,271.00		20,244.00	23,515.00	
Cell Phone	13.91%	2,399.00	2,399.00	2,399.00	0.00		0.00	0.00	
Refrigerator	13.91%	19,500.00	19,500.00	8,324.00	1,555.00		9,621.00	11,176.00	
Total		7,21,264.00	1,30,701.00	0.00	85,196.00	4,60,203.00	64,227.00	3,27,535.00	2,61,061.00
Previous Year		7,21,264.00	0.00	0.00	7,21,264.00	3,85,723.00	74,480.00	2,61,061.00	3,35,541.00

2.9 Non-current investments

In Rs.

Particular	31/03/2013	31/03/2012
Investments in Equity Instruments	4,67,21,122.00	4,67,21,122.00
Other non-current investments	1,34,50,000.00	40,00,000.00
	6,01,71,122.00	5,07,21,122.00

3.0 Long-term loans and advances

In Rs.

Particular	31/03/2013	31/03/2012
Loans and advances to others		
Unsecured considered good		
Ambika Corporation	21,86,411.00	0.00
Anadeshwar Poly Pack Pvt. Ltd	0.00	14,06,215.00
Apco Infra Tech Ltd.	5,85,00,000.00	5,45,00,000.00
Axis Educational Society	1,90,00,000.00	1,90,00,000.00
B. Prakash & Co.	5,00,000.00	0.00
Bansal Suppliers P. Ltd.	2,51,60,000.00	5,50,000.00
Bishan Lal Shivhare	20,03,190.00	0.00
C.A Raj Kapoor (Lucknow)	10,00,000.00	0.00
Daujee Abhushan Bhandar Pvt. Ltd.	2,83,00,000.00	90,00,000.00
Deepak Sehgal	1,00,00,000.00	0.00
Delux Petrochem In	2,00,000.00	0.00
Dev Bhoomi Promoters & Developers Pvt.Ltd	50,00,000.00	50,00,000.00
Dev Raj Dayalani Huf	0.00	7,47,945.00
Dudhadhari Exports Pvt. Ltd.	22,00,000.00	20,00,000.00
Frost International Ltd	80,40,000.00	80,40,000.00
Futuristic Solutions Ltd	14,00,000.00	0.00
Geetika Seeds Pvt. Ltd.	0.00	32,76,953.00
Hd Steels	5,00,000.00	5,00,000.00
Home Linkers Pvt. Ltd.	1,25,00,000.00	50,00,000.00
Ht Financial Services Ltd.	6,00,00,000.00	6,00,00,000.00
K. G. Shoe Exports Ltd.	22,16,000.00	21,54,623.00
Kamad Infra P Ltd.	27,47,069.00	0.00
Kamia Mulhotra	50,00,000.00	50,00,000.00
Kavita Agarwal	10,00,000.00	0.00
Loan & Advances	0.00	15,38,633.00
M.G. Infrastates Pvt. Ltd.	21,62,000.00	20,08,410.00
Maa Sharda Tobacco Pvt. Ltd.	27,28,892.00	26,97,334.00
Maa Vindhya Vasini Tobacco Pvt. Ltd.	54,05,000.00	53,46,192.00
Malayagiri Import & Export Pvt. Ltd.	16,40,000.00	16,40,000.00
Mani Soni	30,00,000.00	30,00,000.00
Metals Cans & Closures P Ltd.	72,00,000.00	0.00
Mi Builders Ltd.	65,00,000.00	65,00,000.00
Mukesh Kapur	2,775.00	2,775.00
Mulakh Raj Chawala	3,00,000.00	3,00,000.00
Neelam Mishra	20,00,000.00	15,00,000.00
Nextgen Entertainment Pnt.Ltd.	50,00,000.00	50,00,000.00
Nirbharant Agarwal	4,24,480.00	0.00
Pankaj Puri	3,00,000.00	0.00
Parmarth Iron Pvt. Ltd.	50,00,000.00	50,00,000.00
Pradumna Krishna Sinha	10,00,000.00	0.00
Prism Housing Pvt. Ltd.	0.00	94,50,000.00

Qadirya & Associates P.Ltd.	1,00,00,000.00	1,00,00,000.00
Rac Technologies	10,00,000.00	10,00,000.00
Raghav Udyog	10,622.00	4,10,622.00
Rameshwar Das Ram Niwas	26,94,548.00	0.00
Rcs Entertainment P Ltd	32,20,143.00	0.00
Rewa Chemicals Pvt. Ltd.	35,26,750.00	35,26,750.00
Rich Capital & Financial Services Ltd	6,46,00,000.00	5,46,00,000.00
Rr Food Products	36,20,272.00	0.00
Safari Chemicals Pvt. Ltd.	35,00,000.00	35,00,000.00
Sanjay Kapoor	40,00,000.00	40,00,000.00
Sanjay Tandon	2,00,000.00	0.00
Sanjay Tandon Huf	20,00,000.00	20,00,000.00
Sarita Jain	20,00,000.00	20,00,000.00
Seema Kapoor	40,00,000.00	40,00,000.00
Shiva Sheesham Marketing P Ltd.	70,00,000.00	0.00
Shree Neelkanth Builders	5,18,000.00	0.00
Shreya Stock & Shares Broking Pvt. Ltd.	3,00,000.00	3,00,000.00
Shri Ram Niwas Rukmani Devi Trust	0.00	27,55,983.00
Smn Ashwini	20,00,000.00	0.00
Smn Kishore Babu	10,00,000.00	0.00
Sudhanshu Trivedi	50,00,000.00	50,00,000.00
Sudhir Agarwal (Huf)	30,00,000.00	0.00
Sujeet Kumar Srivastava	50,00,000.00	50,00,000.00
Suman Tandon	20,00,000.00	20,00,000.00
Sunil Kapoor	80,00,000.00	80,00,000.00
Umatech	1,50,00,000.00	1,50,00,000.00
Vishal Malhotra	8,00,000.00	8,00,000.00
Vishwadoot Educational Trust	80,00,000.00	80,00,000.00
Vvs Concast Ltd	45,00,000.00	45,00,000.00
	45,66,06,152.00	35,65,52,435.00

3.1 Other non-current assets

Particular	In Rs.	
	31/03/2013	31/03/2012
Others		
Earnest Money	2,57,350.00	2,32,850.00
Interest Accured on FDR	5,04,873.44	1,39,962.44
TDS A.Y 2013-14	3,44,610.00	0.00
TDS A.Y.2012-13	2,96,560.00	2,96,560.00
TDS Receivable A.Y. 2010-11	12,228.00	12,228.00
VAT A/C	19,744.94	2,212.68
VAT A/C Delhi	72,048.35	72,048.35
Advance for Shopmetro	1,00,000.00	0.00
Security Deposit Adjustable (Rent A/C)	15,65,000.00	0.00
Security Deposit Fixed (Rent A/C)	8,55,000.00	0.00
	4027414.73	755861.47

3.2 Inventories

Particular	In Rs.	
	31/03/2013	31/03/2012
Others		
Other	376050.00	0.00
	3,76,050.00	0.00

3.3 Trade receivables

In Rs.

Particular	31/03/2013	31/03/2012
Trade Receivable		
Unsecured considered good		
Within Six Months		
Agarwal Agro Sales	1,04,745.00	17,72,800.00
Bansal Suppliers Sale & Purchase	1,29,57,640.80	1,27,72,217.80
Big Broker Sale & Purchase A/C	82,00,000.00	82,00,000.00
Chawla Home Products Pvt. Ltd.	0.00	16,68,750.00
Dr. Jahangir Pharmaceuticals & Hygienic Co.	23,16,160.00	0.00
Ex. Engg. Store Div. Jhansi	0.00	22,66,950.00
Ganpati Traders	17,76,005.00	17,76,005.00
Jay Industries	1,27,230.00	1,27,230.00
Nirbharant Constructions	1,39,80,000.00	7,30,000.00
Pragati Inorganics	5,40,500.00	5,40,500.00
Prakash Yadav	20,000.00	20,000.00
Prashasti Agarwal	2,00,000.00	2,00,000.00
Praveen Kumar Mishra	67,25,000.00	67,25,000.00
Prem Steels	0.00	0.40
Rajnish Gupta	6,400.00	0.00
Rewa Refinery Pvt. Ltd.	10,00,000.00	10,00,000.00
Sanjeevani Fertilizer & Chemicals Pvt. Ltd.	494.84	34,85,494.84
Shagni Laserprints	0.00	4,00,000.00
Shree Mahalaxmi Commodity	87,00,000.00	87,00,000.00
Strait Chem (Fze)	90,04,380.00	0.00
Vaishnavi Steels	0.00	5,02,426.00
	6,56,58,555.64	5,08,87,374.04

3.4 Cash and cash equivalents

In Rs.

Particular	31/03/2013	31/03/2012
Cash in Hand	1,12,662.00	59,82,14.00
Cheques, Drafts in Hand	0.00	30,00,000.00
Balances With Banks		
Balance Scheduled Banks		
Current Account		
HDFC Bank	2,38,356.21	70,56,903.24
IDBI Delhi A/C NO. 016710200014979	2,15,418.00	0.00
ORIENTAL BANK OF COMMERCE	1,11,461.00	1769,352.00
SBI BANK A/C NO- 30614680848	1,46,264.16	8,606.16
SBI New OD A/C NO. 32097110832	30,008.00	0.00
UCO BANK A/C NO. 19440210001479	99,970.00	0.00
	9,54,139.37	1,24,33,075.40

3.5 Revenue from operations

In Rs.

Particular	31/03/2013	31/03/2012
Sale of Products		
Traded Goods		
Sale Of Share	0.00	1,30,98,500.00
Sales	9,24,570.00	79,89,338.05

Sales Export	1,13,20,540.00	0.00
	1,22,45,110.00	2,10,87,838.05

3.6 Other income

Particular	In Rs.	
	31/03/2013	31/03/2012
Interest		
Interest on IT Refund	0.00	4,355.00
Interest Received on FDR	4,10,235.00	3,54,893.89
Interest Received	37,29,237.00	31,58,623.00
Miscellaneous Round .	0.00	1.42
	41,39,472.00	35,17,873.31

3.7 Purchases of Stock-in-Trade

Particular	In Rs.	
	31/03/2013	31/03/2012
Stock in Trade		
Purchase A/C	0.00	1,16,78,900.00
Purchase Tax Invoice	13,62,876.50	55,05,092.00
Purchase Unregistered	0.00	16,54,786.00
Purchases (Import)	1,05,62,131.25	0.00
	1,19,25,007.75	1,88,38,778.00

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

Particular	In Rs.	
	31/03/2013	31/03/2012
Opening		
Other	0.00	45,75,000.00
	0.00	45,75,000.00
Closing		
Other	3,76,050.00	0.00
	376050.00	0.00
Increase/Decrease		
Other	(3,76,050.00)	45,75,000.00
	(3,76,050.00)	45,75,000.00

Details of Changes in Inventory

Particular	31/03/2013	31/03/2012
Other		
Changes in Closing Stock	(3,76,050.00)	45,75,000.00
	(3,76,050.00)	45,75,000.00

3.9 Employee benefits expense

Particular	In Rs.	
	31/03/2013	31/03/2012
Salary, Wages & Bonus		
Salary A/C	5,00,000.00	2,40,000.00
	5,00,000.00	2,40,000.00

4.0 Finance costs

In Rs.

Particular	31/03/2013	31/03/2012
Interest Expenses		
Interest Expenses		
Interest Paid On Unsecured Loan	2,65,000.00	3,00,000.00
Bank Interest	75,882.00	1,28,936.69
Bank Charges		
Bank Charges	6710.18	16,452.19
	3,47,592.18	4,45,388.88

4.1 Depreciation and amortization expense

Particular	31/03/2013	31/03/2012
Depreciation & Amortisation		
Depreciation Tangible Assets		
Air Conditioner	9,813.00	3,690.00
Air Purifire	2,304.00	0.00
Computer & Peripherals	25,578.00	42,630.00
Epbx Machine	5,934.00	6,893.00
Invertor	6,928.00	5,388.00
Refrigerator	1,555.00	1,806.00
Solar Lantern	3,271.00	3,800.00
Telephone	922.00	1,071.00
Television	4,603.00	5,347.00
Vaccume Cleaner	1,136.00	1,319.00
Video Camera	2,183.00	2,536.00
	64,227.00	74,480.00

4.2 Other expenses

In Rs.

Particular	31/03/2013	31/03/2012
ADMINISTRATIVE AND GENERAL EXPENSES		
AUDITORS REMUNERATION		
Audit Fee	22,472.00	20,000.00
OTHER EXPENSES		
Accountancy Charges	24,000.00	24,000.00
Demat Charges	4,635.85	500.00
Electric Exp.	3,11,690.00	1,03,060.00
Legal Exp.	15,000.00	21,000.00
Office Expenses	8,386.00	500.00
Printing & Stationary	4,817.00	1,050.00
Roc Expenses	8,000.00	4,000.00
Telephone Exp.	40,256.00	70,268.00
Tendor Cost	11,785.00	8,172.00
Annual Maintenance Charges	2,400.00	0.00
Clearing And Forwarding Charges	1,43,861.00	0.00
Insurance Exp.	19,203.00	0.00
Rent	28,50,000.00	0.00
Round Off	3.64	0.00
Travelling Exps.	2,61,698.00	0.00
Certification Fee	0.00	2,100.00
	37,28,207.49	2,54,650.00

4.3 Tax expense

In Rs.

Particular	31/03/2013	31/03/2012
Current tax PROVISION FOR CURRENT TAX	63,600.00	59,818.00
Deferred tax DEFFERED TAX ASSETS	(3164.00)	(5001.00)
	60,436.00	54,817.00

4.4 Earnings per equity share

In Rs.

Particular	31/03/2013	31/03/2012
Earnings Per Equity Share		
Basic		
Basic EPS Before Extra-Ordinary Item	0.09	0.08
Extra-Ordinary Item Adjustment	0.00	0.00
Diluted		
Basic EPS Before Extra-Ordinary Item	0.09	0.08
Extra-Ordinary Item Adjustment	0.00	0.00
Number Of Share Used in Computing EPS		
Basic	15,54,090.00	15,54,090.00
Diluted	15,54,090.00	15,54,090.00
Weighted Average Number of shares		
Number of Shares for basic EPS calculation		
Number of shares for dilutive calculation	15,54,090.00	15,54,090.00

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

For **CITYON SYSTEMS INDIA LTD.**

Sd/-
CA JALAJ AGARWAL
(PARTNER)
M.NO:071738

Sd/-
G.P. GUPTA
(DIRECTOR)

Sd/-
ANKUR AGARWAL
(DIRECTOR)

Place : New Delhi
Date : 10/07/2013

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, 1956.

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 1956.

5. DEPRECIATION

On Assets acquired and put to, is provided on Written Down Value Method as per Schedule XIV to the Companies Act 1956:

6. REVENUE RECOGNITION

Revenue is recognized on accrual basis.

7. PROVISIONS, CONTINGENT LIABILITY & CONTIGENT 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 not 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 quality 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/relieves admissible under the income Tax Act 1961 as per the normal provisions of the act. Deferred tax liability is recognized in accordance with AS-22. As part of the business of the company comprises of lending of money & earning interest thereon. Therefore as the company has provided significant amount of loans & advances therefore it has convincing evidence as per AS-22 for recognizing Deferred Tax Asset.

10. IMPAIRMENT OF ASSETS

The company assess at each Balance sheet date whether there is any indication that an asset mat be impaired. It 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. No Prior period items are present.
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 amount are subject to confirmation.
13. Gross deprecation for the year Rs. **64,227.00** (Prev. Yr. Rs. 74,480.00).
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, 2013

a) Information about Primary Business Segments

(Rupees in Lacs)

Sr.	Particulars	31 March,2013				31 March,2012				
		Chemic	Iron	Interes	Total	Che	Iron	Interes	Share	Total
1	REVENUE									
	External	113.21	9.25	37.70	160.16	0.00	79.89	35.18	130.99	246.06
	Inter - Segment									
	Total Revenues	113.21	9.25	37.70	160.16	0.00	79.89	35.18	130.99	246.06
2	RESULTS									
	Operating Profit	7.59	-4.38	37.70	40.91	0.00	8.29	35.18	14.20	57.67
	Unallocated				38.95					
	Less: Tax				0.60					
	Profit After Tax				1.35					
3	Segment Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Unallocated				5,881.21					4,716.11
	Total Assets	0.00	0.00	0.00	5,881.21	0.00	0.00	0.00	0.00	4,716.11
4	Segment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Unallocated				4,144.21					2,980.11
	Total Liabilities				4,144.21					2,980.11
5	Capital				1,737.00					1,736.00

b) Information about Secondary Business Segments

Revenue by Geographical Market

(Rupees in Lacs)

Sr. No.	PARTICULARS	2012-13			2011-12		
		WITHIN INDIA	OUTSIDE INDIA	TOTAL	WITHIN INDIA	OUTSIDE INDIA	TOTAL
1	External	9.25	113.21	122.46	210.88		210.88
2	Inter Segment	0	0	0	0	0	0
	Total	9.25	113.21	122.46	210.88	0.00	210.88

Additions to Fixed Assets			1.31			0

c) Notes:

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

- i) Chemical Trading
- ii) Iron Products Trading
- iii) Interest Income

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:

- (a) Revenue within India includes sales to customers located within India and earnings in India.
- (b) 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:

Party	Relationship	Transaction	Amount in Rs.
Mr. Samarth Tondon	Director	Interest paid during the year	1,62,000.00
Smt. Sakshi Tondon	Relative of Director	Interest paid during the year	54,000.00
Mr. Sanjay Tondon	Director	Interest paid during the year	36,000.00

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.

For **J AGARWAL & ASSOCIATES**
CHARTERED ACCOUNTANTS
FRN : 002601C

For **CITYON SYSTEMS INDIA LTD**

Sd/-

Sd/-

Sd/-

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

G.P. GUPTA
(DIRECTOR)

ANKUR AGARWAL
(DIRECTOR)

Place : New Delhi
Date : 10/07/2013

AUDITOR'S REPORT

**TO
THE MEMBERS,
CITYONS SYSTEMS (INDIA) LIMITED**

Report on the Financial Statements

We have audited the accompanying financial statements of **CITYONS SYSTEMS (INDIA) LTD.**, which comprise the Balance Sheet as at 30TH September, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies, Notes to Accounts and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the 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 the internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management, 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.

Opinion

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

- (d) in the case of the Balance Sheet, of the state of affairs of the Company as at 30TH September, 2013;
- (e) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date, and
- (f) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

3. As required by the Companies (Auditor's Report) Order, 2003("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
4. As required by Section 227(3) of the Act, we report that:
 - (f) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (g) 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.
 - (h) The Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (i) In our opinion, the Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act.
 - (j) On the basis of the written representations received from the directors as on 30TH September, 2013 taken on record by the Board of Directors, none of the directors is disqualified as on 30TH September, 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

For **J AGARWAL AND ASSOCIATES**
Chartered Accountants

Place : NEW DELHI
Date : 26/11/2013

Sd/-
CA JALAJ AGARWAL
PARTNER
M.NO. 071738

ANNEXURE TO THE AUDITORS' REPORT

Referred to in our Report of even date:

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
(b) All the assets have been physically verified by the management during the half year, there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
(c) No disposal of fixed assets of the Company has taken place during the half year.
2. (a) As explained to us, the Inventories has been physically verified during the half year by the management. In our opinion, the frequency of verification is reasonable.
(b) In our opinion and according to the information and explanation given to us, the procedure of physical verification of Inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its Business.
(c) In our opinion and according to the information and explanation given to us, the Company has maintained proper records of its Inventories.
3. In our opinion and according to the information and explanation given to us, the Company has granted or taken loans & advances unsecured to or from the Companies, Firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956 & these transactions have been appropriately entered in the register maintained under section 301 of the Companies Act, 1956. The details are provided in Point No. 16 of Significant accounting policies & Notes to accounts.
4. The Company has adequate internal control procedure commensurate with the size of the Company and nature of its Business with regard to purchase of stores, raw materials including components, plant and machinery, equipment and other assets, and for sale of goods. We have not come across any major weakness in internal control.
5. (a) In our opinion and according to the information and explanations given to us, the transactions that need to be entered into a register in pursuance of section 301 of the Companies Act, 1956, have been so entered.
(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contract or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding rupees five lakhs each have been made at prices, which are reasonable having regard to prevailing market prices at the relevant time.
6. In our opinion and according to the information and explanations given to us, the Company has not accepted / invited any deposits falling within the preview of Section 58A / 58AA of the Companies Act, 1956 during the financial half year.
7. In our opinion, the Company has Internal Audit system commensurate with the size and nature of its Business.
8. As informed to us the Central Govt. has not prescribed the maintenance of cost records by the Company under Section 209 (1) (d) of the Companies Act, 1956.
9. (A) According to the records of the Company, the Company is regular in depositing with appropriate authorities undisputed Statutory dues including Provident Fund, Investor Education Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Cess and other material statutory dues applicable to it.

- (b) According to the information and explanations given to us, no undisputed amount payable in respect of Income Tax, Wealth Tax, Sales Tax, Customs Duty, Excise Duty and Cess were in arrears, as of 30th Sep, 2013 for a period of more than six months from the date they became payable.
- (c) According to the information and explanation given to us, there are no dues of Income Tax, Customs duty, Wealth Tax, Excise duty and Cess.
10. The Company has no accumulated losses.
11. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial Institutions, Banks or debenture holders.
12. In our opinion and according to the information and explanations given to us, the Company has not granted any loans and advance on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not chit fund or a *nidhi* / Mutual benefit fund / Society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
14. In our opinion, the Company has not dealt in trading in Shares, Securities, Debentures and other investments in half year ended on 30th Sep, 2013. The company has maintained proper records for the same transactions. The company has held the securities in its own name.
15. In our opinion and according to the information and explanations given to us, the Company has not given guarantees for loans taken by others from Bank or financial institutions.
16. The Company has not taken any term loan during the half year therefore the question of its application for the purpose for which they were raised does not arise.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that the no funds raised on short – term basis have been used for long-term investment. No long-term funds have been used to finance short-term assets except permanent working Capital.
18. The Company has not made preferential allotment of shares during the half year to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956. The company has made preferential allotment to parties, but those are not covered the register maintained under Section 301 of the Companies Act, 1956.
19. The Company has not issued any debentures during the half year and therefore the question of creating security in respect thereof does not arise.
20. The Company has not made any Public Issue during the half year and therefore the question of disclosing the end use of money does not arise.
21. According to the information and explanations given to us, based upon the audit procedures performed and representations made by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our Audit.

For **J AGARWAL AND ASSOCIATES**
Chartered Accountants

Sd/-
CA JALAJ AGARWAL
PARTNER
M.NO. 071738

Place : NEW DELHI
Date : 26/11/2013

BALANCE SHEET AS AT 30/09/2013

In Rs.

Balance Sheet as at	Note	30/09/2013	31/03/2013
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2.1	17,12,63,600.00	1,55,40,900.00
Reserves and surplus	2.2	2,98,51,497.12	15,81,59,952.03
Money received against share warrants		-	-
		20,11,15,097.12	17,37,00,852.03
Share application money pending allotment		0.00	0.00
Non-current liabilities			
Long-term borrowings		-	-
Deferred tax liabilities (Net)	2.3	18,713.00	18,713.00
Other Long term liabilities		-	-
Long-term provisions		-	-
		18,713.00	18,713.00
Current liabilities			
Short-term borrowings	2.4	19,80,27,517.70	21,11,26,378.70
Trade payables	2.5	4,48,40,337.01	20,31,94,453.01
Other current liabilities	2.6	5,000.00	6,000.00
Short-term provisions	2.7	1,16,839.34	74,572.00
		24,29,89,694.05	41,44,01,403.71
TOTAL		44,41,23,504.17	58,81,20,968.74
ASSETS			
Non-current assets			
Fixed assets			
- Tangible assets	2.8	2,99,750.10	3,27,535.00
- Intangible assets		-	-
- Capital work-in-progress		-	-
- Intangible assets under development		-	-
		2,99,750.10	3,27,535.00
Non-current investments	2.9	6,01,71,122.00	6,01,71,122.00
Deferred tax assets (net)		-	-
Long-term loans and advances	3.0	30,06,81,805.00	45,66,06,152.00
Other non-current assets	3.1	31,91,354.73	40,27,414.73
		36,40,44,281.73	52,08,04,688.73
Current assets			
Current investments		-	-
Inventories	3.2	32,83,500.00	3,76,050.00
Trade receivables	3.3	7,56,08,414.88	6,56,58,555.64
Cash and cash equivalents	3.4	8,87,557.46	9,54,139.37
Short-term loans and advances		-	-
Other current assets		-	-
		7,97,79,472.34	6,69,88,745.01
TOTAL		44,41,23,504.17	58,81,20,968.74

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 30/09/2013

In Rs.

Statement of Profit and Loss for the	Note	30/09/2013	31/03/2013
Revenue from operations	3.5	1,58,75,562.00	1,22,45,110.00
Other income	3.6	28,53,863.00	41,39,472.00
Total Revenue		1,87,29,425.00	1,63,84,582.00
Expenses			
Purchases of Stock-in-Trade	3.7	1,63,61,616.00	1,19,25,007.75
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	3.8	-29,07,450.00	(3,76,050.00)
Employee benefits expense	3.9	1,88,000.00	5,00,000.00
Finance costs	4.0	68,221.14	3,47,592.18
Depreciation and amortization expense	4.1	27,784.90	64,227.00
Other expenses	4.2	47,89,740.53	37,28,207.49
Total expenses		1,85,27,912.57	1,61,88,984.42
Profit before tax		2,01,512.43	1,95,597.58
Tax expense:	4.3	62,267.34	0.00
Current tax		62,267.34	63,600.00
Deferred tax		0.00	(3,164.00)
Profit (Loss) for the period from continuing operations		1,39,245.09	1,35,161.58
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		1,39,245.09	1,35,161.58
Earnings per equity share:	4.4		
Basic		0.01	0.09
Diluted		0.01	0.09

*Figures are not annualized.

CASH FLOW STATEMENT FOR THE PERIOD ENDED 30/09/2013

In Rs.

Cash flow statement for the	30/09/2013	31/03/2013
<u>(A) Cash Flow from Operating Activities</u>		
Net Profit as per Profit & Loss A/C	2,01,512.43	1,95,597.58
Adjustment for:		
Depreciation	27,784	64,227.00
Interest Expenses	54,157	3,40,882.00
Interest Income	28,53,863	37,29,237.00
Income Tax	-	-
Operation profit before working capital changes	(2,570,408.67)	(3,128,530.42)
<u>Change in Current Asset:-</u>		
Decrease (Increase) in Trade & other Receivables	(9,949,859.24)	(1,47,71,181.60)
Decrease (Increase) in Inventory	(2,907,450.00)	(3,76,050.00)
Decrease (Increase) in Loans & Advances	1,55,924,347.00	(10,00,53,717.00)
Decrease (Increase) in Other Assets	8,36,060.00	(32,71,553.26)
Change in Current Liabilities	(158,355,116.00)	7,43,65,406.25
Increase (Decrease) in provisions (other than Taxes)	42,267.34	19,308.00
NET Changing in working Capital	(14,409,750.90)	(44,087,787.61)
Cash generated from operations	(16,980,159.57)	(47,216,318.03)
Taxes paid / Refund	62,267.34	63,600.00
Net Cash From Operating Activities (A)	(17,042,426.91)	(4,72,79,918.03)
<u>(B) Cash Flow from Investing Activities</u>		
Purchase of Fixed Assets	-	(1,30,701.00)
Sale of Fixed Assets	-	-
Net Cash from Investing Activities (B)		(95,80,701.00)
<u>(C) Cash Flows from Financing Activities (C)</u>		
Issue of share capital proceeds/(Refund) from share Application	2,72,75,000	-
Interest Paid	(54,157.00)	(3,40,882.00)
Interest Received	2,853,863.00	37,29,237.00
Increase/(Repayment of secured/unsecured loan	(13,098,861.00)	4,19,93,328.00
Net Cash From Financing Activities (C)	16,975,845.00	4,53,81,683.00
Net Increase (Decrease) in Cash & Cash equivalents	(66,581.91)	(1,14,78,936.03)
Cash & Cash equivalents beginning of the year	9,54,139.37	1,24,33,075.40
Cash and Cash Equivalents at the end of year	887,557.46	9,54,139.37

NOTES ON ACCOUNTS FOR THE YEAR ENDED SEPTEMBER 30, 2013**2.1 Share Capital**

In Rs.

Particular	30/09/2013	31/03/2013
Authorised		
2,40,00,000 (20,00,000) Equity Shares EQUITY of Rs. 10/- Par Value	24,00,00,000.00	20,00,000.00
	24,00,00,000.00	2,00,00,000.00
Issued		
1,71,26,360 (15,54,090) Equity Shares EQUITY of Rs. 10/- Par Value	17,12,63,600.00	1,55,40,900.00
	17,12,63,600.00	1,55,40,900.00
Subscribed		
1,71,26,360 (15,54,090) Equity Shares EQUITY of Rs. 10/- Par Value	17,12,63,600.00	1,55,40,900.00
	17,12,63,600.00	1,55,40,900.00
Paid up		
1,71,26,360 (15,54,090) Equity Shares EQUITY of Rs. 10/- Par Value	17,12,63,600.00	1,55,40,900.00
ully Paid up	17,12,63,600.00	1,55,40,900.00
	17,12,63,600.00	1,55,40,900.00

Holding More Than 5%

Particular	30/09/2013	% Held	31/03/2013	% Held
Mukesh Kumar	2912332	17.00	728083	46.87
Ankur Agarwal	3235788	18.89	808947	52.08

2.2 Reserve and Surplus

In Rs.

Particular	30/09/2013	31/03/2013
Capital Reserve - Opening	1,00,00,000.00	1,00,00,000.00
Addition	0.00	0.00
Deduction	0.00	0.00
Securities Premium Opening	1,00,00,000.00	1,00,00,000.00
Additions	14,73,03,140.15	14,73,03,140.15
Adjusted Bonus Shares	0.00	0.00
	12,84,47,700.00	0.00
Profit and Loss Opening	1,88,55,440.15	14,73,03,140.15
Amount Transferred From Statement of P&L	8,56,811.88	7,21,650.30
	1,39,245.09	1,35,161.58
	9,96,056.97	8,56,811.88
	2,98,51,497.12	15,81,59,952.03

2.3 Deferred Taxes

In Rs.

Particular	30/09/2013	31/03/2013
Deferred Tax Liabilities		
Depreciation	18,713.00	18,713.00
	18,713.00	18,713.00

2.4 Short Term Borrowings

In Rs.

Particular	30/09/2013	31/03/2013
Loans repayable on demand		
Banks		
Secured		

Kotak Mahindra Bank	2,061.70	2,061.70
IDBI Delhi A/C NO. 016710200014979	0.00	0.00
SBI New OD A/C NO. 32097110832	0.00	0.00
Other loans and advances		
UNSECURED		
Horizon Portfolio Ltd.	2,00,000.00	2,00,000.00
Aman Singh	0.00	0.00
Arun Kumar	0.00	0.00
Bansal Suppliers Pvt. Ltd	32,80,450.00	19,30,450.00
Basudev Kumar	45,75,000.00	45,75,000.00
Big Broker House Stocks Ltd.	7,60,80,000.00	7,80,80,000.00
Cityon Infrastructure Pvt. Ltd.	3,17,45,500.00	3,14,45,500.00
Cityon Nano Technology Pvt. Ltd.	81,44,000.00	83,85,000.00
Cityon Solar Ltd.	34,00,000.00	97,00,000.00
Kapil Bajpai	0.00	0.00
Manju Rani Agarwal	5,00,000.00	5,00,000.00
Manoj Gupta	0.00	0.00
Mp Agarwal & Sons	21,00,000.00	21,00,000.00
Nikki Global Finance Ltd.	84,00,000.00	86,00,000.00
Nirbharant Management	21,58,000.00	48,58,000.00
Novel Lines & Logistic Pvt. Ltd.	19,232.00	0.00
Rich International Financial Services	1,70,00,000.00	1,98,00,000.00
Sakshi Tandon	5,00,000.00	5,13,500.00
Samarth Tandon	15,00,000.00	15,40,500.00
Snigdha Agarwal	0.00	5,00,000.00
Unsecured Loan	3,59,23,274.00	3,83,96,367.00
Vinod Kumar Agarwal	25,00,000.00	0.00
	19,80,27,517.07	21,11,26,378.70

2.5 Trade Payables

	In Rs.	
Particular	30/09/2013	31/03/2013
Creditors Due others		
Kpk Finance Consultancy Pvt. Ltd	39,20,000.00	39,20,000.00
Mefcom Capital Market Ltd	1,664.00	0.00
Prem Steel	0.00	1,95,780.00
Rich Udyog Network Ltd	1,50,70,251.76	17,32,30,251.76
Shashwat Agarwal	1,29,49,275.00	1,29,49,275.00
Star Enterprises	23,37,015.00	23,37,015.00
Yog Trading Pte Ltd.	1,05,62,131.25	1,05,62,131.25
	4,48,40,337.01	20,31,94,453.01

2.6 Other Current Liabilities

	In Rs.	
Particular	30/09/2013	31/03/2013
Other payables		
Other Current Liabilities		
TDS Payable	5,000.00	6,000.00
	5,000.00	6,000.00

2.7 Short Term Provisions

	In Rs.	
Particular	30/09/2013	31/03/2013
J Agarwal & Associates	54,572.00	74,572.00
	54,572.00	74,572.00

2.8 Tangible assets

Particulars	Rate	Gross Block		Depreciation		Impairment		Net Block	
		01/04/2013		30/09/2013		For the Qtr Ended 31/03/2013		30/09/2013	
		01/04/2013	01/04/2013	For the Year	30/09/2013	For the Qtr Ended 31/03/2013	30/09/2013	31/03/2013	
		01/04/2013	01/04/2013	Year	30/09/2013	For the Qtr Ended 31/03/2013	30/09/2013	31/03/2013	
		Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	
PLANT & MACHINERY									
Air Purifire	13.91%	46,496.00	0.00	3,073.55	0.00	5,377.55	41,118.45	44,192.00	
Air Conditioner	13.91%	1,02,513.00	0.00	4,863.70	0.00	37,445.70	65,067.30	69,931.00	
Telephone	13.91%	11,588.00	0.00	396.71	0.00	6,280.71	5,307.29	5,704.00	
Invertor	13.91%	85,903.00	0.00	3,736.30	0.00	35,918.30	49,984.70	53,721.00	
Video Camera	13.91%	30,400.00	0.00	939.83	0.00	17,826.83	12,573.17	13,513.00	
Vaccume	13.91%	14,200.00	0.00	488.94	0.00	7,658.94	6,541.06	7,030.00	
Cleaner									
Television	13.91%	56,989.00	0.00	1,981.34	0.00	30,482.34	26,506.66	28,488.00	
EPBX Machine	13.91%	70,242.00	0.00	2,554.22	0.00	36,071.22	34,170.78	36,725.00	
Mobile	13.91%	3,999.00	0.00	0.00	0.00	3,999.00	0.00	0.00	
Computer & Peripherals	40.00%	3,65,834.00	0.00	7,673.20	0.00	3,35,141.20	30,692.80	38,366.00	
Solar Lantern	13.91%	41,902.00	0.00	1,407.97	0.00	23,065.97	18,836.03	20,244.00	
Cell Phone	13.91%	2,399.00	0.00	0.00	0.00	2,399.00	0.00	0.00	
Refrigerator	13.91%	19,500.00	0.00	669.14	0.00	10,548.14	8,951.86	9,621.00	
Total		8,51,965.00	0.00	27,784.90	0.00	5,52,214.90	2,99,750.10	3,27,535.00	

Previous Year

7,21,264.00

8,51,965.00

4,60,203.00

64,227.00

0.00

5,24,430.00

0.00

3,27,535.00

2,61,061.00

2.9 Non-current investments

In Rs.

Particular	30/09/2013	31/03/2013
Investments in Equity Instruments	4,67,21,122.00	4,67,21,122.00
Other non-current investments	1,34,50,000.00	1,34,50,000.00
	6,01,71,122.00	6,01,71,122.00

3.0 Long-term loans and advances

In Rs.

Particular	30/09/2013	31/03/2013
Loans and advances to others		
Unsecured considered good		
Ambika Corporation	20,00,000.00	21,86,411.00
Apco Infra Tech Ltd.	0.00	5,85,00,000.00
Axis Educational Society	1,90,00,000.00	1,90,00,000.00
B. Prakash & Co.	5,00,000.00	500,000.00
Bansal Suppliers P. Ltd.	0.00	2,51,60,000.00
Bishan Lal Shivhare	20,00,000.00	20,03,190.00
C.A Raj Kapoor (Lucknow)	10,00,000.00	10,00,000.00
Daujee Abhushan Bhandar Pvt. Ltd.	2,83,00,000.00	2,83,00,000.00
Deepak Sehgal	1,00,00,000.00	1,00,00,000.00
Delux Petrochem In	2,00,000.00	2,00,000.00
Dev Bhoomi Promoters & Developers Pvt.Ltd	50,00,000.00	50,00,000.00
Dudhadhari Exports Pvt. Ltd.	0.00	22,00,000.00
Frost International Ltd	75,00,000.00	80,40,000.00
Futuristic Solutions Ltd	0.00	14,00,000.00
Hd Steels	5,00,000.00	5,00,000.00
Home Linkers Pvt. Ltd.	1,25,00,000.00	1,25,00,000.00
Ht Financial Services Ltd.	0.00	6,00,00,000.00
Iol Logistics India Ltd	2,163.00	-
K. G. Shoe Exports Ltd.	20,00,000.00	22,16,000.00
Kamad Infra P Ltd.	25,00,000.00	27,47,069.00
Kamia Mulhotra	50,00,000.00	50,00,000.00
Kavita Agarwal	11,20,000.00	10,00,000.00
M.G. Infrastates Pvt. Ltd.	0.00	21,62,000.00
Maa Sharda Tobacco Pvt. Ltd.	25,00,000.00	27,28,892.00
Maa Vindhyavasini Tobacco Pvt. Ltd.	5,00,000.00	54,05,000.00
Malayagiri Import & Export Pvt. Ltd.	16,40,000.00	16,40,000.00
Mani Soni	30,00,000.00	30,00,000.00
Metals Cans & Closures P Ltd.	89,00,000.00	72,00,000.00
Mi Builders Ltd.	65,00,000.00	65,00,000.00
Mukesh Kapur	2,775.00	2,775.00
Mulakh Raj Chawala	0.00	3,00,000.00
Neelam Mishra	20,00,000.00	20,00,000.00
Nextgen Entertainment Pnt.Ltd.	0.00	50,00,000.00
Nirbharant Agarwal	4,76,480.00	4,24,480.00
Pankaj Puri	3,00,000.00	3,00,000.00
Parmarth Iron Pvt. Ltd.	50,00,000.00	50,00,000.00
Pearl Creation	2,000.00	0.00
Pradumna Krishna Sinha	10,00,000.00	10,00,000.00
Qadirya & Associates P.Ltd.	1,00,00,000.00	1,00,00,000.00
Rac Technologies	10,00,000.00	10,00,000.00
Raghav Udyog	10,622.00	10,622.00
Rameshwar Das Ram Niwas	25,00,000.00	26,94,548.00
Rcs Entertainment P Ltd	30,00,000.00	32,20,143.00

Rewa Chemicals Pvt. Ltd.	35,26,750.00	35,26,750.00
Rich Capital & Financial Services Ltd	6,46,00,000.00	6,46,00,000.00
Rr Food Products	33,00,000.00	36,20,272.00
Safari Chemicals Pvt. Ltd.	35,00,000.00	35,00,000.00
Sanjay Kapoor	40,00,000.00	40,00,000.00
Sanjay Tandon	2,00,000.00	2,00,000.00
Sanjay Tandon Huf	20,00,000.00	20,00,000.00
Sarita Jain	20,00,000.00	20,00,000.00
Seema Kapoor	40,00,000.00	40,00,000.00
Shiva Sheesham Marketing P Ltd.	70,00,000.00	70,00,000.00
Shree Neelkanth Builders	5,00,000.00	5,18,000.00
Shreya Stock & Shares Broking Pvt. Ltd.	3,00,000.00	3,00,000.00
Smn Ashwini	20,00,000.00	20,00,000.00
Smn Kishore Babu	10,00,000.00	10,00,000.00
Sudhanshu Trivedi	50,00,000.00	50,00,000.00
Sudhir Agarwal (Huf)	30,00,000.00	30,00,000.00
Sujeet Kumar Srivastava	50,00,000.00	50,00,000.00
Suman Tandon	20,00,000.00	20,00,000.00
Sunil Kapoor	80,00,000.00	80,00,000.00
Sunil Kumar Tripathi	1,015.00	0.00
Umatech	1,50,00,000.00	1,50,00,000.00
Vishal Malhotra	8,00,000.00	8,00,000.00
Vishwadoot Educational Trust	80,00,000.00	80,00,000.00
Vvs Concast Ltd	40,00,000.00	45,00,000.00
	30,06,81,805.00	45,66,06,152.00

3.1 Other non-current assets

Particular	In Rs.	
	30/09/2013	31/03/2013
Others		
Earnest Money	3,17,850.00	2,57,350.00
Interest Accured on FDR	5,04,873.44	5,04,873.44
TDS A.Y 2013-14	3,44,610.00	3,44,610.00
TDS A.Y.2012-13	0.00	2,96,560.00
TDS Receivable A.Y. 2010-11	12,228.00	12,228.00
VAT A/C	19,744.94	19,744.94
VAT A/C Delhi	72,048.35	72,048.35
Advance for Shopmetro	1,00,000.00	1,00,000.00
Security Deposit Adjustable (Rent A/C)	9,65,000.00	15,65,000.00
Security Deposit Fixed (Rent A/C)	8,55,000.00	8,55,000.00
	31,91,354.73	40,27,414.73

3.2 Inventories

Particular	In Rs.	
	30/09/2013	31/03/2013
Others		
Other	32,83,500.00	3,76,050.00
	32,83,500.00	3,76,050.00

3.3 Trade receivables

Particular	In Rs.	
	30/09/2013	31/03/2013
Trade Receivable		
Unsecured considered good		

Within Six Months		
Agarwal Agro Sales	0.00	1,04,745.00
Bansal Suppliers Sale & Purchase	12957640.80	1,29,57,640.80
Big Broker Sale & Purchase A/C	8200000.00	82,00,000.00
Dr. Jahangir Pharmaceuticals & Hygienic Co.	9,359.24	23,16,160.00
Ganpati Traders	17,76,005.00	17,76,005.00
Jay Industries	1,27,230.00	1,27,230.00
Nirbharant Constructions	2,22,80,000.00	1,39,80,000.00
Pragati Inorganics	5,00,000.00	5,40,500.00
Prakash Yadav	20,000.00	20,000.00
Prashasti Agarwal	2,00,000.00	2,00,000.00
Praveen Kumar Mishra	67,25,000.00	67,25,000.00
Prem Steels	15.00	0.00
Rajnish Gupta	6,400.00	6,400.00
Rewa Refinery Pvt. Ltd.	1000000.00	10,00,000.00
Sanjeevani Fertilizer & Chemicals Pvt. Ltd.	494.84	494.84
Shree Mahalaxmi Commodity	87,00,000.00	87,00,000.00
Strait Chem (Fze)	90,04,380.00	90,04,380.00
Sundry Debtors	41,01,890.00	0.00
	7,56,08,414.88	6,56,58,555.64

3.4 Cash and cash equivalents

Particular	In Rs.	
	30/09/2013	31/03/2013
Cash in Hand	1,24,774.00	1,12,662.00
Cheques, Drafts in Hand	0.00	0.00
Balances With Banks		
Balance Scheduled Banks		
Current Account		
HDFC BANK	843.54	23,83,56.21
IDBI DELHI A/C NO. 016710200014979	3,10,783.00	2,15,418.00
ORIENTAL BANK OF COMMERCE	1,91,433.00	1,11,461.00
SBI BANK A/C NO- 30614680848	1,46,264.16	1,46,264.16
SBI NEW OD A/C NO. 32097110832	6,745.00	30,008.00
UCO BANK A/C NO. 19440210001479	1,06,714.76	99,970.00
	8,87,557.46	9,54,139.37

3.5 Revenue from operations

Particular	In Rs.	
	30/09/2013	31/03/2013
Sale of Products		
Traded Goods		
Sale Of Share	0.00	0.00
Sales	1,58,75,562.00	9,24,570.00
Sales Export	0.00	1,13,20,540.00
	1,58,75,562.00	1,22,45,110.00

3.6 Other income

Particular	In Rs.	
	30/09/2013	31/03/2013
Interest		
Interest On It Refund	19,270.00	0.00
Interest Received On Fdr	36,499.00	4,10,235.00
Interest Received	27,98,094.00	37,29,237.00

Miscellaneous Round .	0.00	0.00
	28,53,863.00	41,39,472.00

3.7 Purchases of Stock-in-Trade

Particular	In Rs.	
	30/09/2013	31/03/2013
Stock in Trade		
Purchase A/C	0.00	0.00
Purchase Tax Invoice	0.00	13,62,876.50
Purchase Unregistered	1,39,73,672.00	0.00
Purchases (Import)	23,87,944.00	1,05,62,131.25
	1,63,61,616.00	1,19,25,007.75

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

Particular	In Rs.	
	30/09/2013	31/03/2013
Opening		
Other	3,76,050.00	0.00
	3,76,050.00	0.00
Closing		
Other	32,83,500.00	3,76,050.00
	32,83,500.00	3,76,050.00
Increase/Decrease		
Other	(29,07,450.00)	(3,76,050.00)
	(29,07,450.00)	(3,76,050.00)

Details of Changes in Inventory

Particular	In Rs.	
	30/09/2013	31/03/2013
Other		
Changes In Closing Stock	(29,07,450.00)	(3,76,050.00)
	(29,07,450.00)	(3,76,050.00)

3.9 Employee benefits expense

Particular	In Rs.	
	30/09/2013	31/03/2013
Salary, Wages & Bonus		
Salary A/C	1,88,000.00	5,00,000.00
	1,88,000.00	5,00,000.00

4.0 Finance costs

Particular	In Rs.	
	30/09/2013	31/03/2013
Interest Expenses		
Interest Paid On Unsecured Loan	60,000.00	2,65,000.00
Bank Interest	5,843.00	75,882.00
Bank Charges	2,378.14	6,710.18
	68,221.14	3,47,592.18

4.1 Depreciation and amortization expense

Particular	In Rs.	
	30/09/2013	31/03/2013
Depreciation & Amortization		
Depreciation Tangible Assets		
Air Conditioner	4,863.70	9,813.00
Air Purifire	3,073.55	2,304.00
Computer & Peripherals	7,673.20	25,578.00
Epbx Machine	2,554.22	5,934.00
Invertor	3,736.30	6,928.00
Refrigerator	669.14	1,555.00
Solar Lantern	1,407.97	3,271.00
Telephone	396.71	922.00
Television	1,981.34	4,603.00
Vaccume Cleaner	488.94	1,136.00
Video Camera	939.83	2183.00
	27,784.90	64,227.00

4.2 Other expenses

Particular	In Rs.	
	30/09/2013	31/03/2013
Administrative and General Expenses		
Auditors Remuneration	0.00	22,472.00
Audit Fee		
Other Expenses		
Accountancy Charges	12,000.00	24,000.00
Demat Charges	0.00	4635.85
Electric Exp	48,260.00	3,11,690.00
Legal Exp.	65,500.00	15,000.00
Listing Fees- BSE	56,180.00	-
Listing Fees- CDSL	33,708.00	-
Office Expenses	5,280.00	8,386.00
Printing & Stationary	1,646.00	48,17.00
Professional & Consultancy Charges	12,35,960.00	0.00
Roc Expenses	22,500.00	8,000.00
Telephone Exp.	6,241.00	40,256.00
Tendor Cost	3,420.00	11,785.00
Annual Maintenance Charges	0.00	2,400.00
Clearing And Forwarding Charges	0.00	1,43,861.00
Insurance Exp.	0.00	19,203.00
Rent	17,10,000.00	28,50,000.00
Round Off	(0.47)	3.64
Travelling Exps.	0.00	2,61,698.00
Public Issue Exps.	15,25,744.00	0.00
Freight And Cartage Exps	63302.00	0.00
	47,89,740.53	37,28,207.49

4.3 Tax expense

Particular	In Rs.	
	30/09/2013	31/03/2013
Current tax PROVISION FOR CURRENT TAX	62,267.34	63,600.00
Deferred tax DEFFERED TAX ASSETS	0.00	(3164.00)
	62,267.34	60,436.00

4.4 Earnings per equity share

Particular	30/09/2013	31/03/2013
Earnings Per Equity Share		
Basic		
Basic EPS Before Extra-Ordinary Item	0.01	0.09
Extra-Ordinary Item Adjustment	0.00	0.00
Diluted		
Basic EPS Before Extra-Ordinary Item	0.01	0.09
Extra-Ordinary Item Adjustment	0.00	0.00
Number Of Share Used in Computing EPS		
Basic	1,71,26,360	15,54,090.00
Diluted	1,71,26,360	15,54,090.00
Weighted Average Number of shares		
Number of Shares for basic EPS calculation		
Number of shares for dilutive calculation	1,71,26,360	15,54,090.00

***Figures are not annualized.**

For **J AGARWAL & ASSOCIATES**
 CHARTERED ACCOUNTANTS
 FRN : 002601C

For **CITYON SYSTEMS INDIA LTD**

Sd/-

Sd/-

Sd/-

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

G.P. GUPTA
 (DIRECTOR)

ANKUR AGARWAL
 (DIRECTOR)

Place : New Delhi
Date : 26/11/2013

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, 1956.

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 1956.

5. DEPRECIATION

On Assets acquired and put to, is provided on Written Down Value Method as per Schedule XIV to the Companies Act 1956:

6. REVENUE RECOGNITION

Revenue is recognized on accrual basis.

7. PROVISIONS, CONTINGENT LIABILITY & CONTIGENT 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 not 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 quality 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/relieves admissible under the income Tax Act 1961 as per the normal provisions of the act. The Company has not recognized any deferred tax during the period under reporting.

10. IMPAIRMENT OF ASSETS

The company assess at each Balance sheet date whether there is any indication that an asset mat be impaired. It 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. No Prior period items are present.

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.27784.90 (Prev. Yr. Rs. 64,227.00).

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 period ended 30th September, 2013

a) Information about Primary Business Segments

Sr. No.	PARTICULARS	30 th September, 2013			31 st March, 2013			TOTAL
		CLOTH TRADING	INTEREST INCOME	TOTAL	CHEMICAL TRADING	IRON PRODUCTS	INTEREST INCOME	
1.	REVENUES							
	External	158.76	28.54	187.29	113.21	9.25	37.70	160.16
	Inter- Segment							
	Total Revenues	158.76	28.54	187.29	113.21	9.25	37.70	160.16
2.	RESULTS							
	Operating Profit Before Tax (PBT)	24.21	28.54	52.75	7.59	4.38	37.70	40.91
	Unallocated Costs			50.74				38.95
	Less: Tax Provision			0.62				0.60
	Profit After Tax (PAT)			1.39				1.35
3.	Segment Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Unallocated Assets			4441.24				5,881.21
	Total Assets	0.00	0.00	4441.24	0.00	0.00	0.00	5,881.21
4.	Segment Liabilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Unallocated Liabilities			2430.08				4,144.21
	Total Liabilities			2430.08				4,144.21
5.	Capital Employed			2011.15				1,737.00

b) Information about Secondary Business Segments

Revenue by Geographical Market

(Rupees in Lacs)

Sr. No.	PARTICULARS	2013-14			2012-13		
		WITHIN INDIA	OUTSIDE INDIA	TOTAL	WITHIN INDIA	OUTSIDE INDIA	TOTAL
1	External	158.76	0	158.76	9.25	113.21	122.46
2	Inter Segment	0	0	0	0	0	0
	Total	158.76	0	158.76	9.25	113.21	122.46
	Additions to Fixed Assets			0			1.31

c) Notes:

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

- i) Chemical Trading
- ii) Iron Products Trading
- iii) Interest Income

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:

- (a) Revenue within India includes sales to customers located within India and earnings in India.
- (b) Revenue outside India includes sales to customers located outside India and earnings outside India.

16. 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.

17. 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.

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

In term of our attached report of even date

For **J AGARWAL & ASSOCIATES**
CHARTERED ACCOUNTANTS
FRN : 002601C

For **CITYON SYSTEMS INDIA LTD**

Sd/-

Sd/-

Sd/-

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

G.P. GUPTA
(DIRECTOR)

ANKUR AGARWAL
(DIRECTOR)

Place : New Delhi
Date : 26/11/2013

CAPITAL STRUCTURE

The share capital of the Company as at the date of this Information Memorandum is set forth below:

(Rs. in Lacs, except share data)

Sl. No.	Particulars	Aggregate value at face value
A	Authorized Share Capital	
	2,40,00,000 Equity Shares of face value of Rs.10/- each	2400.00
B	Issued, subscribed and paid-up Equity Share Capital	
	1,71,26,360 Equity Shares of face value of Rs. 10 each	1712.64
C	Securities Premium Account	188.55

CLASSES OF SHARES

The Company has only one class of share capital i.e. Equity Shares of Rs. 10/- each only.

DETAILS OF INCREASE IN THE AUTHORISED SHARE CAPITAL OF OUR COMPANY

Date of Meeting	Nature of Meeting	No. of Equity Shares	Face Value (Rs.)	Cumulative No. of Equity Shares	Cumulative Authorised Share Capital
On incorporation April 27, 2004	--	50,000	10	50,000	5,00,000
February 04, 2008	EGM	9,50,000	10	10,00,000	1,00,00,000
March 16, 2010	EGM	10,00,000	10	20,00,000	2,00,00,000
April 15, 2013	EGM	1,80,00,000	10	2,00,00,000	20,00,00,000
June 03, 2013	EGM	30,00,000	10	2,30,00,000	23,00,00,000
June 17, 2013	EGM	10,00,000	10	2,40,00,000	24,00,00,000

NOTES TO CAPITAL STRUCTURE**1) Equity Share Capital History of Our Company**

Our Company has made allotments of Equity Shares from time to time. Our Company has not made any allotment of preference shares. The following is the Equity share capital build-up of our Company:

Date of Allotment	No. of Equity Shares Allotted	Face Value (Rs.)	Issue Price (Rs.)	Consideration	Reason for Allotment	Cumulative No. of Equity Shares	Cumulative Paid up Share Capital (Rs.)	Cumulative Share Premium (Rs.)
On incorporation April 27, 2004	10,000	10	10	Cash	Initial Subscription	10,000	1,00,000	NIL
January 02, 2008	40,000	10	10	Cash	Further Allotment	50,000	5,00,000	NIL
March 29, 2008	8,72,000	10	10	Cash	Preferential Allotment	9,22,000	92,20,000	NIL
July 08, 2008	16,060	10	50	Cash	Preferential Allotment	9,38,060	93,80,600	6,42,400
March 19, 2010	1,52,030	10	700	Cash	Preferential Allotment	10,90,090	1,09,00,900	10,55,43,100

March 28, 2012	4,64,000	10	100	Cash	Preferential Allotment	15,54,090	1,55,40,900	14,73,03,100
May 06, 2013	4,80,000	10	10	Cash	Preferential Allotment	20,34,090	2,03,40,900	14,73,03,100
May 27, 2013	7,65,000	10	10	Cash	Preferential Allotment	27,99,090	2,79,90,900	14,73,03,100
May 30, 2013	2,20,000	10	10	Cash	Preferential Allotment	30,19,090	3,01,90,900	14,73,03,100
June 03, 2013	3,15,000	10	10	Cash	Preferential Allotment	33,34,090	3,33,40,900	14,73,03,100
June 11, 2013	3,15,000	10	10	Cash	Preferential Allotment	36,49,090	3,64,90,900	14,73,03,100
July 08, 2013	4,77,500	10	10	Cash	Preferential Allotment	41,26,590	4,12,65,900	14,73,03,100
July 13, 2013	1,55,000	10	10	Cash	Preferential Allotment	42,81,590	4,28,15,900	14,73,03,100
July 17, 2013	1,28,44,770	10	--	Bonus	Bonus Issue in the ratio of 3:1	1,71,26,360	17,12,63,600	1,88,55,400

2) Shares allotted for consideration other than cash

The following shares were allotted for consideration other than cash:

Date of Allotment	Number of Equity Shares Allotted	Face Value (Rs.)	Issue Price (Rs.)	Consideration	Reason for Allotment
July 17, 2013	1,28,44,770	10	-	Bonus	Bonus Issue in the ratio of 3:1

Bonus Equity shares have been issued by capitalizing Reserves and Surplus.

MINIMUM PROMOTER SHAREHOLDING AND LOCK-IN

The Promoter's contribution has been brought to the extent of not less than the specified minimum amount. We confirm that specific written consents has been obtained from our Promoters to lock-in such Equity Shares held by them as may constitute 20% of the listed equity share capital of our Company for three years from the date of listing.

The details of the Promoters' Equity Shares locked-in for a period of not less than three years commencing from March 15, 2014 till June 30, 2017 is as follows:

Name of Promoter	No. of Shares	As a % of Post Issue Share Capital
Mr. Mukesh Kumar	17,12,638	10%
Mr. Ankur Agarwal	17,12,637	10%
TOTAL	34,25,275	20%

SHAREHOLDING PATTERN OF OUR COMPANY

Statement showing Share Holding Pattern of Our Company as per clause 34 of Listing Agreement of BSE (SME) Institutional Trading Platform

(I)(a) Statement showing Shareholding Pattern

Category code	Category of shareholder	Number of shareholders	Total number of shares	Number of shares held in dematerialized form	Total share holding as a percentage of total number of shares	Shares pledged or otherwise encumbered	
						Number of shares (VII)	As a percentage (VIII)= (VII)/(I V)* 100
(I)	(II)	(III)	(IV)	(V)	As a percentage of (A+B) (VI)	Number of shares (VII)	As a percentage (VIII)= (VII)/(I V)* 100
(A)	Promoter and Promoter Group						
(1)	Indian						
(a)	Individuals/ Hindu Undivided Family	7	57,06,360	57,06,360	33.32	0	0.00
(b)	Central Government/ State Government(s)	0	0	0	0.00	0	0.00
(c)	Bodies Corporate	0	0	0	0.00	0	0.00
(d)	Financial Institutions/ Banks	0	0	0	0.00	0	0.00
(e)	Any Other (specify)	0	0	0	0.00	0	0.00
	Sub-Total (A)(1)	7	57,06,360	57,06,360	33.32	0	0.00
(2)	Foreign						
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	0	0	0	0.00	0	0.00
(b)	Bodies Corporate	0	0	0	0.00	0	0.00
(c)	Institutions	0	0	0	0.00	0	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0.00
(e)	Any Other (specify)	0	0	0	0.00	0	0.00
	Sub-Total (A)(2)	0	0	0	0.00	0	0.00
	Total Shareholding of Promoter and Promoter Group (A) = (A)(1)+(A)(2)	7	57,06,360	57,06,360	33.32	0	0.00

(B)	Public Shareholding						
(1)	Institutions						
(a)	Mutual Funds/UTI	0	0	0	0.00	0	0.00
(b)	Financial Institutions/Banks	0	0	0	0.00	0	0.00
(c)	Central Government/ State Government(s)	0	0	0	0.00	0	0.00
(d)	Alternative Investment Fund/Venture Capital Funds	1	5,10,000	5,10,000	2.98	0	0.00
(e)	Insurance Companies	0	0	0	0.00	0	0.00
(f)	Foreign Institutional Investors	0	0	0	0.00	0	0.00
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0	0.00
(h)	Qualified Foreign Investor	0	0	0	0.00	0	0.00
(i)	Any Other (specify)	0	0	0	0.00	0	0.00
	Sub-Total (B)(1)	1	5,10,000	5,10,000	2.98	0	0.00
(2)	Non-institutions						
(a)	Bodies Corporate	0	0	0	0.00	0	0.00
(b)	Individuals -						
	i. Individual shareholders holding nominal share capital up to Rs. 1 lakh	6	24,000	0	0.14	0	0.00
	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	158	96,46,000	56,00,000	56.32	0	0.00
(c)	Qualified Foreign Investor	0	0	0	0.00	0	0.00
(d)	Any Other (specify): Hindu Undivided Family	19	12,40,000	9,20,000	7.24	0	0.00
	Sub-Total (B)(2)	183	1,09,10,000	65,20,000	63.70	0	0.00
	Total Public Shareholding (B)=(B)(1)+(B)(2)	184	1,14,20,000	70,30,000	66.68	0	0.00
	TOTAL (A)+(B)	191	1,71,26,360	1,27,36,360	100.00	0	0.00
(C)	Shares held by Custodians and against which Depository Receipts have been issued						
1	Promoter & Promoter Group	0	0	0	0.00	0	0.00
2	Public	0	0	0	0.00	0	0.00
	Sub-Total (C)	0	0	0	0.00	0	0.00
	GRAND TOTAL (A)+(B)+(C)	191	1,71,26,360	1,27,36,360	100.00	0	0.00

(D)(b) Statement showing holding of securities (including shares, warrants, convertible securities) of persons belonging to the category "Promoter and Promoter Group"

Sr.	Name of the shareholder	Details of shares held		Shares pledged or otherwise encumbered (*)			Details of warrants		Details of convertible securities		Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital
		Number of shares held	As a % of grand total (A)+(B)+(C)	Number of shares	As a % (VI)=(V)/(III)* 100	As a % of grand total (A)+(B)+(C) of sub-clause (I)(a)	Number of warrants held	As a % total number of warrants of the same class	Number of convertible securities held	As a % total number of convertible securities of the same class	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)	(XII)
1	Mukesh Kumar	26,87,332	15.69	0	0.00	0.00	0	0.00	0	0.00	N.A.
2	Ankur Agarwal	29,50,788	17.23	0	0.00	0.00	0	0.00	0	0.00	N.A.
3	Ashok Kumar Sharma	2,800	0.02	0	0.00	0.00	0	0.00	0	0.00	N.A.
4	Pranav Sarin	64,240	0.38	0	0.00	0.00	0	0.00	0	0.00	N.A.
5	Om prakash Jaiswal	400	0.00	0	0.00	0.00	0	0.00	0	0.00	N.A.
6	Sandeep Jindal	400	0.00	0	0.00	0.00	0	0.00	0	0.00	N.A.
7	Sanjay Kumar	400	0.00	0	0.00	0.00	0	0.00	0	0.00	N.A.
		57,06,360	33.32	0	0.00	0.00	0	0.00	0	0.00	N.A.

(I)(c) Statement showing shareholding of persons belonging to the category "Public" and holding more than 1% of the total number of shares:

Sr. No.	Name of the shareholder	Number of shares	Shares as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in statement at para (I)(a) above}
1	Deepak Sehgal	10,00,000	5.84
2	Next Orbit Ventures	5,10,000	2.98
3	Harish Popli & Family	2,80,000	1.63
4	Punita Seth	2,00,000	1.17
5	Reeta Seth	2,00,000	1.17
6	Ajit Kumar Wadhwa	2,00,000	1.17
	TOTAL	23,90,000	13.96

(I)(d) Statement showing details of locked-in shares

Sr. No.	Name of the shareholder	Number of locked in shares	Locked-in shares as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}
1.	Mr. Mukesh Kumar	17,12,638	10.00
2.	Mr. Ankur Agarwal	17,12,637	10.00
	Total	34,25,275	20.00

(II) (a) Statement showing details of Depository Receipts (DRs)

Sr. No.	Type of outstanding DR (ADRs, GDRs, SDRs, etc.)	Number of outstanding DRs	Number of shares underlying outstanding DRs	Shares underlying outstanding DRs as a percentage of total number of shares {i.e. Grand Total (A)+(B)+© indicated in Statement at para (I)(a) above}
NIL				


(II)(b) Statement showing Holding of Depository Receipts (DRs), where underlying shares are in excess of 1% of the total number of shares

Sr. No.	Name of the DR Holder	Type of Outstanding DR (ADRs, GDRs, SDRs, etc.	Number of shares underlying outstanding DRs	Shares underlying outstanding DRs as a percentage of total number of shares {i.e. Grand Total (A)+(B)+© indicated in Statement at para (I)(a) above}
NIL				

DESCRIPTION OF PROPERTY

The brief details of the properties are set out below:

A. Intellectual Property Rights

The logo  is not registered under the Trade Marks Act. Further, we have not made an application for registration of our logo and trade-name.

B. Land and Property

Sr. No.	Location of property	Document and date	Lessor/ Licensor	Key Terms of the Agreement	Whether any such property has been acquired from related parties
1	Registered Office Address: 215, Delhi Chambers, Delhi Gate, Delhi - 110002	Lease Deed Dated 17.12.2013	Mr. Ravinder Marwah R/o House No. 70, First Floor, Bhoor Bharat Nagar, Ghaziabad (U.P.)	The tenure of this lease is eleven months @ a monthly rent of Rs. 6,000/-.	NO

SECTION III – RISK FACTORS

The Risk Factors have been determined on the basis of their materiality. The following factors have been considered for determining the materiality:

- Some events may not be material individually but may be found material collectively.
- Some events may have material impact qualitatively instead of quantitatively.
- Some events may not be material at present but may be having immaterial impact in future.


Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implication of any risks mentioned herein under:

INTERNAL RISK FACTORS

1) *We do not own our Registered from which we operate.*

Our Company operates from rented premises. If the owners of the premises do not renew the leave and license agreement under which we occupy the premises or renew such agreements on terms and conditions that are unfavourable to our Company, we may suffer a disruption in our operations or have to pay increased rentals which could have a material adverse effect on our business, financial condition and results of operations.

2) *The logo and trade-name used by our company is not registered in the name of the company.*

We have not made an application for registration of our logo and trade-name  under the Trade Marks Act and consequently do not enjoy the statutory protections accorded to a trademark registered in India and cannot prohibit the use of such name and logo by anybody by means of statutory protection.

3) *Our Promoters have very small stake in the company*

Our promoters have very small stake in the company which is 32.92% of the paid-up capital of our Company. Hence there can be no assurance that they will continue to support this company and its operations.

4) *Future issuances of Equity Shares or future sales of Equity Shares by our Promoters and certain shareholders, or the perception that such sales may occur, may result in a decrease of the market price of our Equity Shares.*

In the future, we may issue additional equity securities for financing and other general corporate purposes. In addition, our Promoters and certain shareholders may dispose of their interests in our Equity Shares directly, indirectly or may pledge or encumber their Equity Shares. Any such issuances or sales or the prospect of any such issuances or sales could result in a dilution of shareholders' holding or a negative market perception and potentially in a lower market price of our Equity Shares.

5) *Post listing of Equity Shares of our Company, the members of our Promoter Group will continue to hold very low control over Our Company, which may not allow them to determine the outcome of shareholder resolutions/ board resolutions.*

Our promoters have very small stake in the company which is 32.92% of the paid-up capital of our Company. With this small equity stake in the Company, the Promoter Group may not be able to influence matters requiring, shareholders' approval, such as approval of financials of the Company, appointment or removal of directors, declaration of dividend etc.

6) We have high working capital requirements and we may not be able to raise the required capital for future orders.

Our business requires a large amount of working capital, used significantly to finance the purchase of products and other expenses incurred by us before payments are received from customers. Our working capital requirements may increase if, under certain orders, payment terms do not include advance payments or such orders have payment schedules that shift payments toward the end of the order or otherwise increase our working capital burdens. All of these factors may result, or have resulted, in increases in our working capital needs.

Our ability to arrange financing and the costs of capital of such financing are dependent on numerous factors, including general economic and capital market conditions, credit availability from banks, investor confidence and other laws that are conducive to our raising capital in this manner. Our attempts to complete future financings may not be successful or on favourable terms and failure to obtain financing on terms favourable to us could have a material adverse effect on our business and results of operations and cash flows.

7) Our Company has availed unsecured loans from financial institutions and others which are repayable on demand.

We have availed unsecured loans aggregating to Rs. 1980.27 Lacs as on September 30, 2013 from financial institutions and others. These Unsecured loans may be re-called at any time by these Parties. In the event that these loans are required to be re-paid on a short notice, our Company may have to arrange for additional funds which may impact our financials.

8) We have in the past entered into related party transactions and may continue to do so in the future.

We have entered into transactions with our promoters and affiliates. While we believe that all such transactions have been conducted on an arm's length basis, there can be no assurance that we could not have achieved more favorable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we may enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations.

9) Certain agreements may not have been registered as a result of which our operations may be impaired.

Certain of our agreements may not be registered under Indian law. In the event of any such irregularity, we may not be able to enforce our rights under such agreements, businesses or properties in the event of a dispute with a third party.

10) We had negative cash flows from Operating Activities for certain periods. Any negative cash flow in future could affect our operations and financial conditions.

We had negative cash flow from various activities, as per audited financial statements, details of which are as under:

Particulars	<i>(Rs. In Lacs)</i>					
	6 months period ended 30-09-2013	F.Y. ended 31.03.2013	F.Y. ended 31.03.2012	F.Y. ended 31.03.2011	F.Y. ended 31.03.2010	F.Y. ended 31.03.2009
Net Cash flow from Operating Activities	(170.42)	(567.30)	(1765.89)	(66.98)	(924.85)	(55.85)
Net Cash flow from	0.00	(95.81)	(262.33)	24.43	(210.42)	(4.48)

Investing Activities						
Net Cash flow from Financing Activities	169.76	453.82	2141.66	49.64	1134.75	36.37
Net Cash flow for the period	(0.66)	(209.29)	113.44	7.09	(0.52)	(23.96)

The net cash flow of a company is a key indicator to show the extent of cash generated from operations of the company to meet capital expenditure, pay dividends, repay loans and make new investments without raising finance from external resources. If we are not able to generate sufficient cash flows, it may adversely affect our business and financial operations.

11) Our inability to effectively implement our growth strategies or manage our growth could have an adverse effect on our business, results of operations and financial condition.

Our growth strategy envisages a strong asset size and operational income growth. However, there could be a possibility that we may not grow at a comparable rate to our growth rate in the past or the required growth rate to effectively compete in the market either in terms of profit or income. Further, such growth strategy will place significant demands on our management, financial and other resources. It will require us to continuously develop and improve our operational, financial and internal controls and more importantly adhering to quality and high standards that meet customer expectations. Any inability on our part to manage such growth could disrupt our business prospects, impact our financial condition and adversely affect our results of operations.

12) Our revenues are dependent upon our meeting specific customer requirements largely on specific order basis. Any failure or limitation on our ability to provide such products may affect our growth.

Our Company is engaged in trading of diversified products ranging from Iron & Steel and chemicals to computer software and hardware on a specific order basis, customized to meet the specific requirement of each customer. Our inability to provide customized products could lead to erosion of our market image and brand value, which could lead to customers discontinuing their work with us and reduction of our customer base, which in turn could harm our business and profitability.

13) Delays or defaults in customer payments could result in a reduction of our profits and cash flows.

We often commit resources to orders prior to receiving advances or other payments from customers in amounts sufficient to cover expenditures on orders as they are incurred. We may be subject to working capital shortages due to delays in customer payments.

If the customer defaults in their payments on an order, or cancel their orders for which we have devoted significant resources or incurred expenditure, it could have a material adverse effect on our business, financial condition, results of operations and cash flows and could cause the price of our Equity shares to decline. These events could have a material adverse effect on our revenues, results of operations and cash flows.

14) Business is dependent on performance of third-party transporters. Any failure on their part could affect our business operations.

Timely delivery of our products is critical for our performance and we use third party transporters for supply of products to our customers/dealers. Any hindrance in the logistics network could cause an adverse effect on our receipt of supplies and our ability to deliver our finished products in time, which could adversely impact our time commitments.

15) *Fluctuations in the price, availability and quality of products could delay and increase costs.*

We rely on third-party suppliers for products and do not have long term arrangements with them. The prices and supply of the products depend on factors not under our control, including general economic conditions, competition, production levels, and import duties. Adverse fluctuations in the price, availability and quality of the products used by us for trading could have a material adverse effect on our cost of goods sold or our ability to meet our customers' demands. The price and availability of such products may fluctuate significantly, depending on many factors, including increase in transportation costs, inability of suppliers to meet our demands within the requisite time and increase in prices. Any material shortage or interruption in the supply or decrease in the quality of these products due to natural causes or other factors could result in increased costs that we may not be able to pass on to our customers, which in turn would have a material adverse effect on our margins, results of operations and cash flows.

16) *Our operations are significantly concentrated in Delhi and failure to expand our Operations may restrict our growth and adversely affect our business.*

At present, we are carried from Delhi. We do not have any branch office at any other place in India. We believe that our future growth in business and revenues will be achieved only through a pan-India footprint.

17) *We are dependent on our management team for success whose loss could seriously impair the ability to continue to manage and expand business efficiently.*

Our success largely depends on the continued services and performance of our management and other key personnel. The loss of service of the Promoters and other senior management could seriously impair the ability to continue to manage and expand the business efficiently. Further, the loss of any of the senior management or other key personnel may adversely affect the operations, finances and profitability of our Company. Any failure or inability of our Company to efficiently retain and manage its human resources would adversely affect our ability to implement new projects and expand our business.

18) *We have not protected our assets through insurance coverage and our assets may not have good secondary value, which is a risk. This may have a material adverse impact on our business.*

We have not maintained any insurance policy to provide adequate coverage to our assets. Any damage or loss of our assets would have a material and adverse impact on our business operations and profitability.

19) *We are subject to risks arising from exchange and/or interest rate fluctuations.*

We have incurred and expect to incur expenditure and earn revenue denominated in foreign currencies in the course of our operations when acquiring or monetising our content and in respect of overseas market. Any fluctuation of the Indian Rupee against the currency in which we have an exposure may increase the Indian Rupee costs to us of our expenditure or may reduce the revenue to us.

We do not currently use any instruments such as interest rate swaps, options and other derivative instruments for the purposes of mitigating our exposure to interest rate risk. However, this is kept under review, and we may enter into such instruments in the future.

EXTERNAL RISK FACTORS

20) Instability of economic policies and the political situation in India could adversely affect our business.

The Government of India has pursued the economic liberalization policies including relaxing restrictions on the private sector over the past several years. The present Government has also announced policies and taken initiatives that support continued economic liberalization. The Government has traditionally exercised and continues to exercise a significant influence over many aspects of the Indian economy. Our Company's business, and the market price and liquidity of the Equity Shares, may be affected by changes in interest rates, changes in Government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India.

21) A slowdown in economic growth in India or in the states of India, in which we operate, could cause our business to suffer.

The performance and growth of our business are dependent on the health of the overall Indian economy and the economy of the State in India in which we operate. Indian economy may be adversely affected by factors such as adverse changes in liberalization policies, social disturbances, terrorist attacks and other acts of violence or war, natural calamities or interest rates changes, which may also affect the industry in which we operate. Any such factor may contribute to a decrease in economic growth in India which could adversely impact our business and financial performance.

22) Significant differences exist between Indian GAAP and other accounting principles, such as IFRS, which may be material to investors' assessment of our financial condition and results of operations. Our failure to successfully convert to IND AS within the prescribed time framework could have an adverse effect on our stock price.

Our financial statements, including the financial statements provided in this Draft Prospectus, are prepared in accordance with Indian GAAP. We have not attempted to quantify the impact of IFRS or U.S. GAAP on the financial data included in this Draft Prospectus, nor do we provide a reconciliation of our financial statements to those of U.S. GAAP or IFRS. U.S. GAAP and IFRS differ in significant respects from Indian GAAP. Accordingly, the degree to which the Indian GAAP financial statements included in this Draft Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Prospectus should accordingly be limited. In addition, in our transition to IFRS reporting, we may encounter difficulties in the on-going process of implementing and enhancing our management information systems.

23) Natural calamities and force majeure events may have an adverse impact on our business.

Certain events that are beyond control such as earthquakes, fire, floods and drought and similar natural calamities may cause interruption in the business of the Company that could adversely affect its result of operations.

24) Any downgrading of India's debt rating by an independent may harm our ability to raise financing.

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing, and the interest rate and other commercial terms at which such additional financing may be available. This could have adverse effect on our business and future financial performance, its ability to obtain financing for capital expenditures and the price of our Equity Shares.

25) *Foreign investors are subject to foreign investment restrictions under Indian law that limits our ability to attract foreign investors.*

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or fall under any of the exceptions referred to above, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection/tax clearance certificate from the income tax authority. There can be no assurance that any approval required from the RBI or any other government agency can be obtained on any particular terms or at all.

26) *Regional hostilities, terrorist attacks, communal disturbances, civil unrest and other acts of violence or war involving India and other countries may result in a loss of investor confidence and adversely affect the financial markets and our business.*

Terrorist attacks, civil unrest and other acts of violence or war may negatively affect the Indian markets on which our Equity Shares will trade and also adversely affect the worldwide financial markets. Military activity or terrorist attacks in India may result in investor concern about stability in the region, which may adversely affect the price of our Equity Shares. Events of this nature in the future, as well as social and civil unrest within other countries in Asia, could influence the Indian economy and could have an adverse effect on the market for securities of Indian companies, including our Equity Shares.

27) *Third party statistical and financial data in this Draft Prospectus may be incomplete or unreliable.*

We have not independently verified data from industry publications contained herein and although we believe these sources to be reliable, we cannot assure you that they are complete or reliable. Such data may also be produced on a different basis from comparable information compiled with regard to other countries. Therefore, discussions of matters relating to India and its economy are subject to the caveat that the statistical and other data upon which such discussions are based have not been verified by us and may be incomplete or unreliable.

RISK RELATING TO EQUITY SHARES

28) *Future issuance or sale of Equity shares by the existing shareholders could significantly affect the trading price of the Equity Shares.*

The future issuances of Equity Shares by us or the disposal of Equity Shares by any of the major shareholders or the perception by the investors that such issuance or sales might occur could affect the trading price of the Equity Shares. There can be no assurance that we will not issue further Equity Shares or that the shareholders will not dispose off, pledge or otherwise encumber their Equity Shares.

29) *Our ability to pay any dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirement and capital expenditures.*

The amount of our future dividend payments, if any, will depend upon our Company's future earnings, financial condition, cash flows, working capital requirements, capital expenditures, applicable Indian legal restrictions and other factors. There can be no assurance that our Company will be able to pay dividends.

30) *The price of our Equity Shares may be volatile, or an active trading market for our Equity Shares may not develop.*

Till date there has been no public market for our Equity Shares. We propose to list our Equity Shares on Equity Shares on Institution Trading Platform (ITP) of BSE SME. We cannot assure that pursuant to listing on ITP, active trading market of our Equity Shares would develop as trading on ITP is subject to certain restrictions viz minimum trading lot on institutional trading platform is Rs. 10 Lacs. Further the securities listed on ITP will be mandatorily exited within 18 months of triggering various events as mentioned in Regulation 106ZD of SEBI (ICDR) Regulations.

Pursuant to There can be no assurance that an active trading market for our Equity Shares will develop or be sustained after the listing.

31) *There are certain restrictions on daily movements in the price of the Equity Shares, which may adversely affect shareholder's ability to sell, or the price at which it can sell, Equity Shares at a particular point in time.*

Subsequent to the listing, we will be subject to a daily "circuit breaker" imposed by BSE, which does not allow transactions beyond specified increases or decreases in the price of the Equity Shares. This circuit breaker operates independently of the index-based, market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges.

The percentage limit on our circuit breakers will be set by the stock exchanges based on the historical volatility in the price and trading volume of the Equity Shares. The BSE may not inform us of the percentage limit of the circuit breaker in effect from time to time and may change it without our knowledge. This circuit breaker will limit the upward and downward movements in the price of the Equity Shares. As a result of imposing circuit limit, no assurance can be given regarding your ability to sell your Equity Shares or the price at which you may be able to sell your Equity Shares at any particular time.

32) *Investor(s) may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.*

Under current Indian tax laws and regulations, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. Any gain realised on the sale of listed equity shares on a stock exchange held for more than 12 months is not subject to capital gains tax in India if securities transaction tax ("STT") is paid on the transaction. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Any gain realised on the sale of equity shares held for more than 12 months to an Indian resident, which are sold other than on a recognised stock exchange and on which no STT has been paid, will be subject to long term capital gains tax in India. Further, any gain realised on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax. Any change in tax provisions may significantly impact your return on investments.

33) *Conditions in the Indian Securities market may affect the price or liquidity of the Equity Shares.*

Indian stock exchanges have, in the past, experienced problems that have affected the market price and liquidity of the securities of Indian companies, such as temporary exchange closures, broker defaults, settlement delays and strikes by brokers. In addition, the governing bodies of the Indian stock exchanges have from time to time restricted securities from trading, limited price movements and increased margin requirements. Further, disputes have occurred on occasion between listed companies and the Indian stock exchanges and other regulatory bodies that, in some cases, have had a negative effect on market sentiment. If similar problems occur in the future, the market price and liquidity of the Equity Shares could be adversely affected.

**SECTION IV - SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND
MANAGEMENT**

Information with respect to the shareholding of a beneficial owner

The following table details the information concerning the beneficial ownership of equity shares of our Company by each person known by us to be the beneficial owner (In case different from registered owner), as on the date of this Information Memorandum:

Class/ type of securities	Name and address of beneficial owner	Amount and nature of beneficial ownership	Percent
Equity Shares	Nil	NA	NA

Information with respect to the shareholding of Management

The following table details the shareholding of the Directors in their personal capacity and either as sole or first holder, as on the date of this Information Memorandum:

Name of Director	No. of Shares held	Holding in Percentage
Mr. Mukesh Kumar	26,87,332	15.69
Mr. Ankur Agarwal	29,50,788	17.23
Mr. Man Mohan Singh	--	--
Mr. Abhishek Tandon	--	--
Mr. Gaya Prasad Gupta	--	--
Mr. Anoop Srivastava	--	--
Mr. Om Prakash Agarwal	--	--
TOTAL	56,38,120	32.92

Shareholders agreement

There are no shareholders' agreements relating to our Company's shares or involving our Company to which either our Promoters or our Company is a party as on the date of this Information Memorandum.

SECTION V - OUR MANAGEMENT**Board of Directors**

Under our Articles of Association, we are required to have not less than 3 directors and not more than 11 directors. As on the date of this Information Memorandum, our Company has six directors on the Board.

The following table sets forth details of our Board as on the date of this Information Memorandum:

Name, Designation, Address, Nationality, PAN and DIN	Date of Appointment	Other Directorships
<p>Mr. Om Prakash Agarwal</p> <p><i>Designation: Chairman, Non-Executive & Independent Director</i></p> <p><i>Term: Retire by rotation</i></p> <p><i>Age: 48</i></p> <p><i>Father's Name: Mr. Rameshwar Dayal Agarwal</i></p> <p><i>DIN: 03358726</i></p> <p><i>Address: C-120, Block - C, Tagore Garden Extn, New Delhi - 110027</i></p> <p><i>Occupation: Business</i></p> <p><i>Nationality: Indian</i></p>	04/05/2013	Nil
<p>Mr. Man Mohan Singh</p> <p><i>Designation: Managing Director</i></p> <p><i>Term: 05.03.2014 to 04.03.2017</i></p> <p><i>Age: 60</i></p> <p><i>Father's Name: Mr. Teja Singh</i></p> <p><i>DIN:06832041</i></p> <p><i>Address: Flat No. 975-S/F PKT GH-13, Paschim Vihar, New Delhi - 110087</i></p> <p><i>Occupation: Business</i></p> <p><i>Nationality: Indian</i></p>	04/03/2014	Nil
<p>Mr. Mukesh Kumar</p> <p><i>Designation: Executive & Non-Independent Director</i></p>	04/05/2013	Nil

<p><i>Term: Retire by rotation</i></p> <p><i>Age: 53</i></p> <p><i>Father's Name: Mr. Mavesh Chandra</i></p> <p><i>DIN: 06573251</i></p> <p><i>Address: 88, Ganjshahida (Ansha), H. No. 1, Se NagarPalika, Parishad, Ujhani, Tehsil - Badayoue,, Badayoue, Uttar Pradesh - 243639</i></p> <p><i>Occupation: Business</i></p> <p><i>Nationality: Indian</i></p>		
<p>Mr. Ankur Agarwal</p> <p><i>Designation: Executive & Non-Independent Director</i></p> <p><i>Term: Retire by rotation</i></p> <p><i>Age: 25</i></p> <p><i>Father's Name: Mr. Mukesh Kumar</i></p> <p><i>DIN: 06598310</i></p> <p><i>Address: 88, Ganjashaheeda (Ansha), Ma. Nan. Nagar Palika Parishad Ujh, Tehsil- Budaun, Badayoaye, Uttar Pradesh - 243639</i></p> <p><i>Occupation: Business</i></p> <p><i>Nationality: Indian</i></p>	<p>04/06/2013</p>	<p>Nil</p>
<p>Mr. Abhishek Tandon</p> <p><i>Designation: Non-Executive & Non-Independent Director</i></p> <p><i>Term: Retire by rotation</i></p> <p><i>Age: 30</i></p> <p><i>Father's Name: Mr. Rajendera Kumar Tandon</i></p> <p><i>DIN: 03530860</i></p>	<p>21/05/2013</p>	<p>Nil</p>

<p><i>Address: B-184, Block-B, DDA Flats, Mount Kailash EOK, Delhi - 110001</i></p> <p><i>Occupation: Business</i></p> <p><i>Nationality: Indian</i></p>		
<p>Mr. Gaya Prasad Gupta</p> <p><i>Designation: Non-Executive & Independent Director</i></p> <p><i>Term: Retire by rotation</i></p> <p><i>Age: 65</i></p> <p><i>Father's Name: Lt. Banshi Dhar Gupta</i></p> <p><i>DIN: 00335302</i></p> <p><i>Address: 23/56, Patkapur, Kanpur, Uttar Pradesh - 208001</i></p> <p><i>Occupation: Business</i></p> <p><i>Nationality: Indian</i></p>	<p>02/01/2008</p>	<ol style="list-style-type: none"> 1. Vasundhara Capital And Securities Limited 2. Rich Udyog Network Limited 3. Nikki Global Finance Limited
<p>Mr. Anoop Srivastava</p> <p><i>Designation: Non-Executive & Independent Director</i></p> <p><i>Term: Retire by rotation</i></p> <p><i>Age: 40</i></p> <p><i>Father's Name: Mr. Mahesh Chandra Srivastava</i></p> <p><i>DIN: 06571462</i></p> <p><i>Address: House No. 179/11, Chak No. 129, Babu Purwa New Colony, Kanpur, Uttar Pradesh - 208011</i></p> <p><i>Occupation: Business</i></p> <p><i>Nationality: Indian</i></p>	<p>04/05/2013</p>	<p>Nil</p>

Brief Profile of Our Directors

Mr. Man Mohan Singh is Managing Director of our company. He is Science graduate and possesses experience of 30 years in finance and related fields. He is responsible for overall planning and management of our Company. Mr. Man Mohan Singh is associated with the company as director since 04/03/2014 and has been appointed as Managing Director w.e.f. 05.03.2014 for a period of 3 years.

Mr. Mukesh Kumar is the Promoter and Director of our Company. He is a commerce graduate and possesses experience of 20 years in finance and related fields. He is responsible for overall planning and management of our Company. Mr. Kumar is associated with the company as director since 04/05/2013.

Mr. Ankur Agarwal is the Promoter and Executive Director of our Company. He holds Postgraduate degree in Commerce. He had previously worked with Webisoft Tecnology Pvt. Ltd. He is responsible for overall planning & management of our Company. He is associated with the company as director since 04/06/2013.

Mr. Abhishek Tandon is a Non-Executive and Non-Independent Director of our company. He holds a postgraduate degree in commerce form Delhi University. He is well associated with day to day affairs of the company. He is associated with the company as director since 21/05/2013.

Mr. Gaya Prasad Gupta is a Non-Executive Independent Director of our Company. He is an Intermediate by qualifications. He has vast knowledge and experience in the field of Marketing. He is associated with the company as director since 02/01/2008.

Mr. Anoop Srivastava is a Non-Executive Independent Director of our Company. He is a commerce graduate and possesses experience of 10 years in the field of Human Resources & Personnel Management. He is associated with the company as director since 04/05/2013.

Mr. Om Prakash Agarwal is a Non-Executive Independent Director of our Company. He is an Intermediate by qualifications and possesses experience of 15 years in the field of Sales & Marketing. He is associated with the company as director since 04/05/2013.

Brief Profile of Key Management Personnel other than directors

Mr. Rahul Mehta, 39 years of age, is a Chief Executive Officer of our Company. He holds a postgraduate degree in Personal Management & Labour Laws and possesses experience for 10 years in the field of Marketing, Tendering, and Fund raising. He had previously worked with Tata Teleservices Ltd. His responsibility is to work together with the Board to develop policies and plans consistent with the mandate as expressed by the Shareholder. He is associated with our Company as Chief Executive Officer since 08/08/2013.

Mr. Ashok Kumar Sharma, 52 years of age, is a Manager of our Company. He holds a postgraduate degree and possesses experience for 15 years in the field of Finance .He had previously worked with Nikki Global Finance Ltd. He is responsible for obtaining profit contribution by managing staff; establishing and accomplishing business objectives. He is associated with our Company as Manager since 29/06/2013.

Mr. Pranav Sarin, 28 years of age, is a Manager of our Company. He holds a postgraduate degree in Business Administration and possesses experience for 5 years in the field of Finance & Management. He had previously worked with Rich International Financial Services Ltd. He is responsible to obtains profit contribution by managing staff; establishing and accomplishing business objectives. He is associated with our Company as Manager since 29/06/2013.

Mr. Sunil Kumar Tripathi, 33 years of age, is a Company Secretary. He is a commerce graduate and is a Fellow of the Institute of Company Secretaries of India and possesses experience for 8 years in the field of compliance and governance. He was previously employed with Rich Universe Network Ltd. He is responsible for the efficient administration of the company, particularly with regard to ensuring compliance with statutory and regulatory requirements and for ensuring that decisions of the Board of Directors are implemented. He is associated with our Company as Company Secretary since 23/10/2013.

Relationship between the Directors

Except for Mr. Ankur Agarwal being the son of Mr. Mukesh Kumar, none of the other directors are related to each other in any manner.

Terms and Conditions of Employment of the Directors

Directors of the Company may be paid sitting fees, commission and any other amounts as may be decided by Board in accordance with the provisions of Articles of Association, the Companies Act and other applicable laws and regulations.

Mr. Man Mohan Singh has been appointed as Managing Director w.e.f. March 05, 2014 for a period of three years, the details of terms and conditions are as follows:

Name	Mr. Man Mohan Singh
Designation	Managing Director
Period	Three years with effect from 5 th March, 2014
Remuneration	<p>Salary Rs. 50,000/- p.m. (Rupees Fifty Thousand Only).</p> <p>Perquisites</p> <ul style="list-style-type: none"> (i) House Rent Allowance: Rs 10,000 per month. (ii) Medical Reimbursement: Medical expense incurred by the whole time Director, of himself and his family subject to a ceiling of one month's salary per year or three months' salary over a period of three years. (iii) Leave Travel Concession: Once in a year incurred in accordance with the rules of the company. (iv) Personal Accidental Insurance: Premium shall not exceed of Rs. 2000. (v) Provident Fund: Contribution to provident fund, superannuation fund or annuity fund as per the company's rules. (vi) Gratuity: Gratuity shall be paid at half a month salary for each completed year of service. (vii) Car: Company will provide a car with driver will not be considered as perquisites (viii) Telephone: Company will provide telephone at the residence of the managing director; will not be considered as perquisites. (ix) Leave: He will be entitled to privilege leave with pay not exceeding one month for every eleven month of completed year of service.

Confirmations

- There is no arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any our Directors were selected as director or as members of the senior management.
- There is no service contracts entered into by the Directors with our Company.

- None of our Directors are on the RBI List of willful defaulters as on date of filing this Information Memorandum.
- Further, neither our Company, nor our Promoters, nor persons forming part of our Promoter Group, nor Directors and persons in control of our Company have been/are debarred from accessing the capital market by SEBI.

CORPORATE GOVERNANCE

Our Company stands committed to good corporate governance practices based on the principles such as accountability, transparency in dealings with our stakeholders, emphasis on communication and transparent reporting. We have complied with the requirements of the applicable regulations, including the Listing Agreement to be executed with the Stock Exchange and the SEBI Regulations, in respect of corporate governance including constitution of the Board and Committees thereof. The corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board Committees, as required under law.

We have a Board constituted in compliance with the Companies Act and the Listing Agreement in accordance with best practices in corporate governance. The Board functions either as a full Board or through various committees constituted to oversee specific operational areas. Our executive management provides the Board detailed reports on its performance periodically.

Currently our Board has Six (6) Directors. We have two executive non-independent director, one non-executive non-independent director and three independent directors. The constitution of our Board is in compliance with the requirements of Clause 42 of the Listing Agreement.

The following committees have been formed in compliance with the corporate governance norms:

- A) Audit Committee
- B) Shareholders/Investors Grievance Committee
- C) Remuneration Committee

A. Audit Committee

Our Company has constituted an audit committee ("Audit Committee"), as per the provisions of Section 292A of the Companies Act, 1956 and Clause 42 of the Listing Agreement to be entered with Stock Exchange, vide resolution passed in the meeting of the Board of Directors held on 10th June, 2013. The committee comprises of the following members:

	Name of the Director	Designation in Committee	Nature of Directorship
1.	Mr. Om Prakash Agarwal	Chairman	Non-executive and Independent
2.	Mr. Anoop Srivastava	Member	Non-executive and Independent
3.	Mr. Gaya Prasad Gupta	Member	Non-executive and Independent

Our Company Secretary is the secretary to the Audit Committee.

The terms of reference of our Audit Committee are given below:

1. Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.

3. Approval of payment to the statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements 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 (2AA) of section 217 of the Companies Act, 1956;
 - 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. Qualifications in the draft audit report.
5. Reviewing, with the management, the half yearly 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, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
8. 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.
9. Discussion with internal auditors any significant findings and follow up there on.
10. 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.
11. 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.
12. 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.
13. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
14. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
15. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

B. Shareholders / Investors Grievance Committee

Our Company has constituted a shareholder / investors grievance committee vide resolution passed at the meeting of the Board of Directors held on 10th June, 2013. The Investor Grievance Committee comprises the following Directors:

	Name of the Director	Designation in Committee	Nature of Directorship
	Mr. Anoop Srivastava	Chairman	Non-executive and Independent
	Mr. Gaya Prasad Gupta	Member	Non-executive and Independent
	Mr. Om Prakash Agarwal	Member	Non-executive and Independent

Our Company Secretary is the secretary to the Shareholders / Investors Grievance Committee.

The terms of reference of the Shareholders’/ Investors’ Grievance Committee shall be as follows:

1. Efficient transfer of shares; including review of cases for refusal of transfer / transmission of shares and debentures;
2. Redressal of shareholder and investor complaints in relation to transfer of shares, allotment of shares, non-receipt of refund orders, right entitlement, non-receipt of Annual Reports and other entitlements; non-receipt of declared dividends etc;
3. Monitoring transfers, transmissions, rematerialisation, splitting and consolidation of shares or other securities issued by our Company;
4. Reference to statutory and regulatory authorities regarding investor grievances;
5. Ensure proper and timely attendance and redressal of investor queries and grievances.
6. Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by such committee.

C. Remuneration Committee

Our Company has constituted a remuneration committee vide resolution passed at the meeting of the Board of Directors held on 10th June, 2013. The said committee is comprised as under:



	Name of the Director	Designation in Committee	Nature of Directorship
	Mr. Gaya Prasad Gupta	Chairman	Non-executive and Independent
	Mr. Anoop Srivastava	Member	Non-executive and Independent
	Mr. Om Prakash Agarwal	Member	Non-executive and Independent

Our Company Secretary is the secretary to the Remuneration Committee.

1. To recommend to the Board, the remuneration packages of the Company’s Managing/Joint Managing/Deputy Managing/Whole time / Executive Directors, including all elements of remuneration package(i.e. salary, benefits, bonuses, perquisites, commission, incentives, stock options, pension, retirement benefits, details of fixed component and performance linked incentives along with the performance criteria, service contracts, notice period, severance fees etc.);
2. To be authorized at its duly constituted meeting to determine on behalf of the Board of Directors and on behalf of the shareholders with agreed terms of reference, the Company’s policy on specific remuneration packages for Company’s Managing/Joint Managing/ Deputy Managing/ Whole time/Executive Directors, including pension rights and any compensation payment;
3. Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by such committee.

SECTION VI - OUR PROMOTERS

The following individuals are the Promoters of our Company:

	Name	Mr. Mukesh Kumar
	Age	54 years
	Residential Address	88, Ganjshahida (Ansha), H. No. 1, Se NagarPalika, Parishad, Ujhani, Tehsil - Badayoue,, Badayoue, Uttar Pradesh - 243639
	Educational Qualification	B.Com
	Driving License No	--
	Voter ID Number	AZM0547869
	Passport No	--
	PAN	B IVPK9889F
	Bank Account No	26830100002315
	Name of the bank	Bank of Baroda
	Name	Mr. Ankur Aggarwal
	Age	27 years
	Residential Address	88, Ganjashaheeda (Ansha),, Ma. Nan. Nagar PalikaParishadUjh, Tehsil-Budaun, Badayoaye, Uttar Pradesh - 243639
	Educational Qualification	M. Com
	Driving License No	--
	Voter ID Number	AZM0523506
	Passport No	--
	PAN	AQXPA3075E
	Bank Account No	26830100003419
	Name of the bank	Bank of Baroda

For a complete profile of each of our Promoters, i.e. their age, personal address, educational qualifications, experience, positions/ posts held in the past and other directorships of our Promoters, please refer to the section titled "Our Management" beginning on Page No. 64 of this Information Memorandum.

SECTION VII - RELATED PARTY TRANSACTIONS

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

Details of the transactions with Related Parties during the Financial Year 2012-13:**Related party where significant influence exists:**

Party	Relationship	Transaction	Amount in Rs.
Mr. Samarth Tondon	Director	Interest paid during the year	162000.00
Smt. Sakshi Tondon	Relative of Director	Interest paid during the year	54000.00
Mr. Sanjay Tondon	Director	Interest paid during the year	36000.00

There was a change in the Promoters and Management of our company in November 2012. The parties appearing in the list of related parties as mentioned above are no longer associated as related parties in accordance with Accounting Standard (AS-18) "Related Party Disclosures" issued by the Institute of Chartered Accountants of India.

SECTION VIII - OUTSTANDING LITIGATIONS

Except as stated herein, there are no outstanding or pending litigation, suits, civil prosecution, criminal proceedings or tax liabilities against our Company, our Directors, our Promoters and Promoter Group and there are no defaults, non-payment of statutory dues, over dues to banks and financial institutions, defaults against bank and financial institutions and there are no outstanding debentures, bonds, fixed deposits or preference shares issued by our Company; no proceedings initiated for economic or other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (I) of Part I of Schedule XIII of the Companies Act, 1956), and no disciplinary action has been taken by SEBI or any stock exchanges against our Promoters, our Directors or Promoter Group Companies.

I. LITIGATIONS OR LEGAL PROCEEDINGS INVOLVING OUR COMPANY

NIL

II. LITIGATIONS OR LEGAL PROCEEDINGS INVOLVING OUR PROMOTERS

NIL

III. LITIGATIONS OR LEGAL PROCEEDINGS INVOLVING OUR DIRECTORS

NIL

IV. DEFAULTS

There are no defaults outstanding in meeting statutory dues, institutional dues and towards instrument holders like debentures, fixed deposits etc.

V. POTENTIAL LITIGATIONS

There are no potential litigations against our Company, our Promoters, our Directors, our Subsidiary or our Group Entities that we are currently aware of or in connection with which, we have received notice.

VI. MATERIAL DEVELOPMENTS

In the opinion of the Board, there has not arisen, since the date of the last audited financial statements disclosed in this Information Memorandum, any circumstances that materially or adversely affect or are likely to affect the profitability of the Company on a or the value of our assets or our ability to pay our material liabilities within the next twelve months.

SECTION IX – DECLARATION

All relevant provisions of the Companies Act, 1956, and the guidelines issued by the Government of India or the SEBI (ICDR) Regulations issued by Securities and Exchange Board of India, as the case may be, have been complied with and no statement made in this Information Memorandum is contrary to the provisions of the Companies Act, 1956, the Securities and Exchange Board of India Act, 1992 or the rules made there under or regulations issued, as the case may be. We further certify that all statements in this Information Memorandum are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY:

Man Mohan Singh
Managing Director

Mukesh Kumar
Director

Ankur Agarwal
Director

Abhishek Tandon
Director

Gaya Prasad Gupta
Independent Director

Anoop Srivastava
Independent Director

Om Prakash Agarwal
Independent Director

SIGNED BY THE COMPANY SECRETARY AND COMPLIANCE OFFICER

Sunil Kumar Tripathy

Date: March 19, 2014
Place: Delhi