

AUDITOR'S REPORT

To the Members of CITYONS SYSTEMS (INDIA) LTD.

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, 2014, 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 relevant provisions of Companies Act, 2013 ("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, except that the company has not complied with AS-25 issued by the Institute of Chartered Accountants of India, 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 30th September, 2014;
- (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 relevant provisions 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 relevant provisions of the Act.

(e) On the basis of the written representations received from the directors as on 30th September, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on 30th September, 2014 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



CA JALAJ AGARWAL
PARTNER

M.NO. 071738

124 / Z-1, HEMANT VIHAR, BARRA-2,
KANPUR, UTTAR PRADESH-208027

Place : NEW DELHI

Date : 20/10/2014

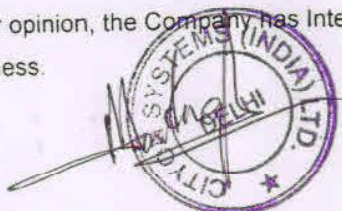


ANNEXURE TO THE AUDITORS' REPORT

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 & other relevant provisions of Companies Act 2013. These transactions have been appropriately entered in the register maintained under section 301 of the Companies Act, 1956 & other relevant provisions of Companies Act 2013. 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 & other relevant provisions of Companies Act 2013, 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 & other relevant provisions of Companies Act 2013 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 accepted / invited public deposits falling within the preview of relevant provisions of the Companies Act, 1956 & 2013 during the financial year.
7. In our opinion, the Company has Internal Audit system commensurate with the size and nature of its Business.

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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 & other relevant provisions of Companies Act, 2013.
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 Wealth Tax, Sales Tax, Customs Duty, Excise Duty and Cess were in arrears, as of 30th September, 2014 for a period of more than six months from the date they became payable. A disputed
- (c) According to the information and explanation given to us, there are no dues of Customs duty, Wealth Tax, Excise duty and Cess. However company has not deposited a Income Tax demand of Rs. 3,86,21,697.00 relating to A. Y. 2011-12; raised vide order dated 31.03.2014 by the Income Tax Department. The company has filed an Appeal before the First Appellate Authority on 24/04/2014 against the said order raising the demand.
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 dealt in trading in Shares, Securities, Debentures and other investments during the period under consideration. 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 period and therefore the question of creating security in respect thereof does not arise.
20. The Company has not made any Public Issue during the period and therefore the question of disclosing the end use of money does not arise.



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- 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.

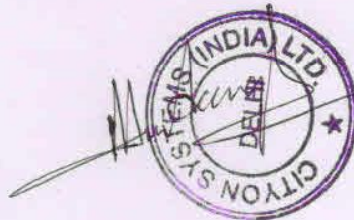
Place : NEW DELHI
Date : 20/10/2014

for J AGARWAL AND ASSOCIATES
Chartered Accountants



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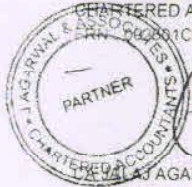
CA JALAJ AGARWAL
124 / Z-1, HEMANT VIHAR, BARRA-2, KANPUR,
UTTAR PRADESH-208027



CITYON SYSTEMS (INDIA) LTD.
215, DELHI CHAMBERS., DELHI GATE, NEW DELHI, DELHI-110002
BALANCE SHEET AS AT 30/09/2014

Balance Sheet as at		In Rs.	
	Note	30.09.2014	31.03.2014
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2.1	171263600.00	171263600.00
Reserves and surplus	2.2	30766089.00	30343390.00
Money received against share warrants			-
		202029689.00	201606990.00
Share application money pending allotment		0.00	0.00
Non-current liabilities			
Long-term borrowings	2.3	238357055.00	224392817.00
Deferred tax liabilities (Net)	2.4	18713.00	18713.00
Other Long term liabilities		-	-
Long-term provisions		-	-
		238375768.00	224411530.00
Current liabilities			
Short-term borrowings	2.5	0.00	2062.00
Trade payables	2.6	35286074.00	37147208.00
Other current liabilities	2.7	53061.00	18090.00
Short-term provisions	2.8	288910.00	131932.00
		35628045.00	37299292.00
TOTAL		476033502.00	463317812.00
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	2.9	250054.00	271966.00
Intangible assets		-	-
Capital work-in-progress		-	-
Intangible assets under development		-	-
		250054.00	271966.00
Non-current investments	3.0	56171122.00	56171122.00
Deferred tax assets (net)		-	-
Long-term loans and advances	3.1	298511206.00	306365703.00
Other non-current assets	3.2	2403724.00	2737280.00
		357086052.00	365274105.00
Current assets			
Current investments			
Inventories	3.3	228230.00	251464.00
Trade receivables	3.4	117691212.00	96150286.00
Cash and cash equivalents	3.5	777954.00	1369991.00
Short-term loans and advances		-	-
Other current assets		-	-
		118697396.00	97771741.00
TOTAL		476033502.00	463317812.00

In terms of our attached report of even date
For J. AGARWAL & ASSOCIATES
CHARTERED ACCOUNTANTS



J. AGARWAL
(PARTNER)

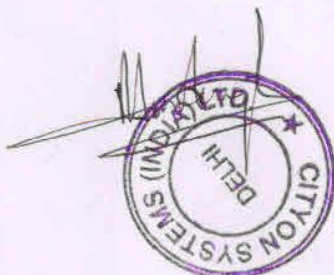
For CITYON SYSTEMS (INDIA) LTD

MANMOHAN SINGH
(DIRECTOR)

ANKUR AGARWAL
(DIRECTOR)

PLACE: NEW DELHI

DATE: 20/10/2014



CITYON SYSTEMS (INDIA) LTD.
215, DELHI CHAMBERS., DELHI GATE, NEW DELHI, DELHI-110002
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 30/09/2014

In Rs.

Statement of Profit and Loss for the	Note	30.9.2014	31.03.2014
Revenue from operations	3.6	29469800.31	41622076.00
Other income	3.7	120829.00	3701691
Total Revenue		29590629.31	45323767.00
Expenses			
Purchases of Stock-in-Trade	3.8	27872009.04	35994589
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	3.9	23234.00	124586
Employee benefits expense	3.10	768000.00	1182240
Finance costs	4.1	713.88	268029
Depreciation and amortization expense	4.2	21012.00	55569
Other expenses	4.3	291320.00	6780527
Total expenses		28977188.72	44405540.00
Profit before tax		613440.59	918227.00
Tax expense	4.4		
Current tax		190742	287089
Deferred tax		0.00	0.00
Profit (Loss) for the period from continuing operations		422698.59	631138.00
Tax expense of discontinuing operations		0.00	0.00
Profit/(loss) from Discontinuing operations (after tax)		0.00	0.00
Profit (Loss) for the period		422698.59	631138.00
Earnings per equity share:*	4.5		
Basic		0.02	0.04
Diluted		0.02	0.04

* Figures are not annualised.

In terms of our attached report of even date

For J. AGARWAL & ASSOCIATES

CHARTERED ACCOUNTANTS

FRN 003601C

PARTNER

GAJAJ AGARWAL

(PARTNER)

For CITYON SYSTEMS (INDIA) LTD.

MANMOHAN SINGH
(DIRECTOR)

ANKUR AGARWAL
(DIRECTOR)

PLACE: NEW DELHI

DATE: 20/10/2014



NOTES ON ACCOUNTS FOR THE HALF YEAR ENDED SEPTEMBER 30, 2014

2.1 Share Capital

In Rs.		
Particular	30.09.2014	31.03.2014
Authorised		
24000000(2000000) Equity Shares EQUITY of Rs. 10/-	240000000.00	240000000.00
	240000000.00	240000000.00
Issued		
17126360(1554090) Equity Shares EQUITY of Rs. 10/-	171263600.00	171263600.00
	171263600.00	171263600.00
Subscribed		
17126360(1554090) Equity Shares EQUITY of Rs. 10/-	171263600.00	171263600.00
Par Value		
	171263600.00	171263600.00
Paidup		
17126360(1554090)Equity Shares EQUITY of Rs. 10/-	171263600.00	171263600.00
Par Value Fully Paidup		
	171263600.00	171263600.00

Holding More Than 5%

Particular	30.09.2014	% Held	31.03.2014	% Held
ANKUR AGARWAL	2950788	17	2950788	17
DEEPAK SEHGAL	1000000	5	1000000	5
MUKASH KUMAR	2687332	16	2687332	16

2.2 Reserve and Surplus

In Rs.		
Particular	30.09.2014	31.03.2014
Capital Reserve - Opening	10000000.00	10000000.00
Addition		0.00
Deduction		0.00
	10000000.00	10000000.00
Securities Premium Opening	18855440.00	147303140.00
Additions		0.00
Adjusted Bonus Shares		-128447700.00
	18855440.00	18855440.00
Profit and Loss Opening	1487950	856812.00
Amount Transferred From Statement of P&L	422698.59	631138
	1910648.59	1487950.00
	30766088.59	30343390.00

2.3 Long Term Borrowing

In Rs.		
Particular	30.09.2014	31.03.2014
Other		
Unsecured		
BANSAL SUPPLIERS	3933944.2	5680450
BIG BROKER HOUSE STOCKS LTD.	75280000	75230000
CITYON INFRASTRUCTURE PVT. LTD.	32013000	32013000
CITYON NANO TECHNOLOGY PVT. LTD.	51931072	39019000
CITYON SOLAR LTD.	3400000	3400000
HORIZON PORTEFOLIO LTD.	275776.73	200000
MANJU RANI AGARWAL	500000	500000
NIKKI GLOBAL FINANCE LTD.	8400000	8400000
RICH INTERNATIONAL FINANCIAL SERVICES	17000000	17000000
SAKSHI TANDON	0	513500
SAMARTH TANDON	500000	1540500
UNSECURED LOAN	42623261.66	38396367
VINOD KUMAR AGARWAL	2500000	2500000
	238357054.59	224392817.00

2.4 Deferred Taxes

Particular	30.09.2014	31.03.2014
Deferred Tax Liabilities		
Depreciation	18713	18713
	18713	18713

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11/09/14

ANKUR



2.5 Short Term Borrowings

Particular	30.09.2014	31.03.2014
Loans repayable on demand		
Banks		
Secured		
KOBIKA MAHINDRA BANK	0	2062
	0	2062

2.6 Trade Payables

Particular	30.09.2014	31.03.2014
Creditors Due others		
BANSAL SUPPLIER PVT LTD SALE & PURCHASE		2851434
KPK FINANCE CONSULTANCY PVT. LTD	3920000	3920000
MANMOHAN SINGH	45000	0
MEFCOM CAPITAL MARKET LTD.	1664	0
NOVEL LINES & LOGISTIC PVT. LTD.	19232	19232
RICH UDYOG NETWORK LTD	15070251.92	15070252
SHASHWAT AGARWAL	12949275	12949275
STAR ENTERPRISES	3278695	2337015
ZEAL ADVERTISING PVT. LTD.	1956	0
	35286073.92	37147208

2.7 Other Current Liabilities

Particular	30.09.2014	31.03.2014
Current maturities of long-term debt		
Other payables		
Other Current Liabilities		
TDS PAYABLE	23090	18090
VAT A/C	29970.63	0
	53060.63	18090

2.8 Short Term Provisions

Particular	30.09.2014	31.03.2014
Others	98168	131932
PROVISION FOR INCOME TAX	190742	
	288910	131932

Gaurav



Madhu

Ankur



angible assets

Particulars	Rate	Gross Block			Depreciation			Impairment For the Period Ended 30/09/2013	Net Block	
		1/4/2014	Additions	Sale/Adj.	30/09/2014	1/4/2014	For the period Ended 30/09/2014		30/09/2014	31/03/2014
		Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
IT & MACHINERY										
PURIFIER	13.91%	46496	0	0	46496	2304	2640	0	4944	38045
CONDITIONER	13.91%	102513	0	0	102513	32582	4187	0	36769	60204
PHONE	13.91%	11588	0	0	11588	5884	342	0	6226	4911
RTOR	13.91%	85903	0	0	85903	32182	3217	0	35399	46248
O CAMERA	13.91%	30400	0	0	30400	16887	809	0	17696	11633
CUME CLEANER	13.91%	14200	0	0	14200	7170	421	0	7591	6052
VISION	13.91%	56989	0	0	56989	28501	1706	0	30207	24525
K MACHINE	13.91%	70242	0	0	70242	33517	2199	0	35716	31617
PUTER &	40%	365834	0	0	365834	327468	4604	0	332072	23020
AR LANTERN	13.91%	41902	0	0	41902	21658	1212	0	22870	17428
RIGERATOR	13.91%	19500	0	0	19500	9879	576	0	10455	8283
		845567	0	0	845567	518032	21912	0	539944	271966

ious Year 7,21,264.00 1,30,701.00 0.00 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



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3.0 Non-current investments

In ₹

Particular	30.09.2014	31.03.2014
Investments in Equity Instruments	56171122	56171122
Other non-current investments	0	0
	56171122	56171122

3.1 Long-term loans and advances

In ₹

Particular	30.09.2014	31.03.2014
Loans and advances to others		
Unsecured, considered good		
ABHIGYAN PRAKASH	200000	0
AMBIKA CORPORATION	2000000	2000000
AXIS EDUCATIONAL SOCIETY	19000000	10000000
B. PRAKASH & CO.	0	500000
BANSAL SUPPLIERS P. LTD.	3020000	6500000
BISHAN LAL SHIVHARE	2000000	2000000
CHOISE CAPITAL ADVISORS PVT. LTD.	252810	0
DAUJEE ABHUSHAN BHANDAR PVT. LTD.	28300000	28300000
DEEPAK SEHGAL	10000000	10000000
DELUX PETROCHEM IN	200000	200000
DEV BHOMI PROMOTERS & DEVELOPERS	5000000	5000000
FROST INTERNATIONAL LTD.	7500000	8040000
HD STEELS	500000	500000
HOME LINKERS PVT. LTD.	12500000	12500000
IOL LOGISTICS INDIA LTD.	2163	0
K. G. SHOE EXPORTS LTD.	2000000	2216511
KAMAD INFRA P. LTD.	0	2770000
KAMIA MULHOTRA	5000000	5000000
KAVITA AGARWAL	1000000	1000000
M.G. INFRASTATES PVT. LTD.	0	29293
MAA VINDHYAVASINI TOBACCO PVT. LTD.	5000000	5405000
MANI SONI	3000000	3000000
METALS CANS & CLOSURES P. LTD.	8900000	8900000
MI BUILDERS LTD.	6500000	6500000
NEELAM MISHRA	2000000	2000000
NIRBHARANT AGARWAL	876480	476480
PANKAJ PURI	300000	300000
PARMARTH IRON PVT. LTD.	5000000	5000000
PEARL CREATION	2000	0
PRADUMNA KRISHNA SINHA	1000000	1000000
QADIRYA & ASSOCIATES P. LTD.	10000000	10000000
RAC TECHNOLOGIES	1000000	1000000
RAHUL MEHTA (L&A)	200000	0
RAJ KAPOOR	1000000	1000000
RAM NIWAS FLOOR MILLS PVT. LTD.	3000000	3011540
RAMESHWAR DAS RAM NIWAS	2500000	2773799
RCS ENTERTAINMENT P. LTD.	3000000	3324000
REWA CHEMICALS PVT. LTD.	3526750	3526750
RICH CAPITAL & FINANCIAL SERVICES LTD.	64600000	64600000
RR FOOD PRODUCTS	3300000	3661327
SAFARI CHEMICALS PVT. LTD.	35000000	35000000
SANJAY KAPOOR	4000000	4000000
SANJAY TANDON	200000	200000
SANJAY TANDON HUF	2000000	2000000
SARITA JAIN	2000000	2000000
SEEMA KAPOOR	4000000	4000000
SHIVA SHEESHAM MARKETING P. LTD.	7000000	7000000
SHREE NEELKANTH BUILDERS	556003	556003
SHREYA STOCK & SHARES BROKING PVT.	275000	275000
SMN ASHWINI	2000000	2000000
SMN KISHORE BABU	1000000	1000000
SUDHANSHU TRIVEDI	5000000	5000000
SUDHIR AGARWAL (HUF)	3000000	3000000
SUJEET KUMAR SRIVASTAVA	5000000	5000000
SUNIL KAPOOR	8000000	8000000
UMATECH	15000000	15000000
VISHAL MALHOTRA	800000	800000
VISHWADOOT EDUCATIONAL TRUST	8000000	8000000
VVS CONCAST LTD	4000000	4000000
	298511206.00	306365703



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3.2 Other non-current assets

Particular	30.09.2014	31.03.2014
Trade Receivable		
Unsecured, Considered Good		
Others		
EARNEST MONEY	364050	339350
INTEREST ACCURED ON FDR	53653	53653
TDS A.Y 2013-14		342607
TDS RECEIVABLE A.Y. 2010-11	12228	12228
VAT A/C		15649
VAT A/C DELHI	72048	72048
ADVANCE FOR SHOPMETRO	100000	100000
SECURITY DEPOSIT ADJUSTABLE (RENT A/C)	865555	865555
SECURITY DEPOSIT FIXED (RENT A/C)	855000	855000
T.D.S. A.Y. 2014-15	81190	81190
	2403724.00	2737280

3.3 Inventories

Particular	30.09.2014	31.03.2014
Others		
Other	228230	251464
	228230.00	251464

3.4 Trade receivables

Particular	30.09.2014	31.03.2014
Trade Receivable		
Unsecured considered good		
Within Six Months		
BANSAL SUPPLIERS SALE & PURCHASE	16140189	16140189
BANSAL SUPPLIERS PVT. LTD. SALE & PURCHASE	2606462	0
BIG BROKER SALE & PURCHASE A/C	8200000	8200000
DR. JAHANGIR PHARMACEUTICALS &	9359.24	9359
GANPATI TRADERS	0	1776005
JAY INDUSTRIES	0	127230
NIRBHARANT CONSTRUCTIONS	22280000	22280000
PRAGATI INORGANICS	540500	540500
PRAKASH YADAV	20000	20000
PRASHASTI AGARWAL	200000	200000
PREM STEEL	0	15
RAJNISH GUPTA	6400	6400
REWA REFINERY PVT. LTD.	1000000	1000000
SANJEEVANI FERTILIZER & CHEMICALS	0	495
SHREE MAHALAXMI COMMODITY	8700000	8700000
STRAIT CHEM (FZE)	830193	830193
SUNDRY DEBTORS	4101890	0
NIRBHARANT MANAGEMENT SERVICES	53056219	36319900
	117691212.24	96150286

3.5 Cash and cash equivalents

Particular	30.09.2014	31.03.2014
Cash in Hand	347034.34	107311
Balances With Banks		
Balance With Scheduled Banks		
Current Account		
BANK ACCOUNTS		
HDFC BANK	16987.38	865359
HDFC BANK	35000.00	35000
IDBI DELHI	74572.00	8217
ORIENTAL BANK OF COMMERCE	191433.00	191433
SBI BANK	6212.50	55956
UCO BANK	106714.76	106715
	777953.98	1369991



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3.6 Revenue from operations

In ₹

Particular	30.09.2014	31.03.2014
Sale of Products		
Traded Goods		
SALES	16503244.00	38577900
SALES TAX INVOICE	5297996.00	3044176
SALES OF SHARE	7668560.31	0.00
	29469800.31	41622076

3.7 Other income

In ₹

Particular	30.09.2014	31.03.2014
Interest		
INTEREST RECEIVED	93500.00	3289883
INTEREST ON IT REFUND	23983.00	19270
INTEREST RECEIVED ON FDR	3346.00	392538
	120829.00	3701691

3.8 Purchases of Stock-in-Trade

In ₹

Particular	30.09.2014	31.03.2014
Stock in Trade		
PURCHASE TAX INVOICE	4385600	2919589
PURCHASE A/C	15692072	33075000
PURCHASE SHARE	7794337.04	0
	27872009.04	35994589

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

In ₹

Particular	30.09.2014	31.03.2014
Opening		
Other	251464	376050
		376050
Closing		
Other	228230	251464
		251464
Increase/Decrease		
Other	23234	124586
	23234	124586

Details of Changes in Inventory

Particular	30.09.2014	31.03.2014
Other		
CHANGES IN CLOSING STOCK	23234	124586
	23234	124586

4.0 Employee benefits expense

In ₹

Particular	30.09.2014	31.03.2014
Salary, Wages & Bonus		
SALARY A/C	768000.00	1182240
	768000.00	1182240

4.1 Finance costs

In ₹

Particular	30.09.2014	31.03.2014
Interest Expenses		
Interest Expenses		
BANK INTEREST	0	24196
INTEREST PAID	0	240000
Bank Charges		
BANK CHARGES	713.68	3833
	713.68	268029

4.2 Depreciation and amortization expense

In ₹

Particular	30.09.2014	31.03.2014
Depreciation & Amortization		
Depreciation Tangible Assets	21912	55569
	21912	55569



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4.3 Other expenses

In ₹

Particular	30.09.2014	31.03.2014
Administrative and General Expenses		
Auditors Remuneration		
AUDIT FEE	11236	22472
Other Expenses		
ACCOUNTANCY CHARGES	24000	48000
ADVERTISEMENT & PUBLICITY	1956	0
ELECTRIC EXP.	0	105600
LEGAL EXP.	0	96050
OFFICE EXPENSES	18860	32360
PRINTING & STATIONARY	23232	34173
ROC EXPENSES	21870	27500
TELEPHONE EXP.	6790	36377
TENDOR COST	10509	8039
CLEARING AND FORWARDING CHARGES	0	12163
RENT	0	2115000
ROUND OFF -	0	-1
TRAVELLING EXPS.	88600	353056
POSTAGE & TELEGRAM	2832	4544
GENERAL EXP.	0	290
REPAIR & MAINTENANCE	0	320960
COMPUTER EXP.	8890	15700
LISTING FEES - BSE	0	84270
LISTING FEES - CDSL	33713	33708
PROFESSIONAL & CONSULTANCY CHARGES	0	1841220
PUBLIC ISSUE EXPENSES	0	1525744
FREIGHT & CARTAGE	38832	63302
	291320	6780527

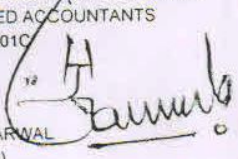
4.4 Tax expense

In ₹

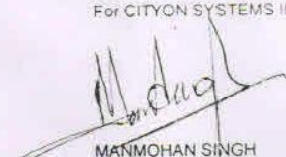
Particular	30.09.2014	31.03.2014
Current tax		
PROVISION FOR CURRENT TAX	190742	287089
Deferred tax		
DEFERRED TAX ASSETS	0	0
	190742	287089


4.5 Earnings per equity share

Particular	30.09.2014	31.03.2014
Earnings Per Equity Share		
Basic		
Basic EPS Before Extra Ordinary Item	0.02	0.04
Extra Ordinary Item Adjustment	0	0
Diluted		
Basic EPS Before Extra Ordinary Item	0.02	0.04
Extra Ordinary Item Adjustment	0	0
Number of Shares used in computing EPS		
Basic	17126360	17126360
Diluted	17126360	17126360
Weighted Average Number of shares		
Number of Shares for basic EPS calculation		
Number of shares for dilutive calculation	17126360	17126360

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

 J. AGARWAL
 (PARTNER)
 M. NO. : 071738

For CITYON SYSTEMS INDIA LTD.


 MANMOHAN SINGH
 (MANAGING DIRECTOR)


 ANKUR AGARWAL
 (DIRECTOR)

Place: NEW DELHI
 DATE: 20/10/2014



CITYON SYSTEMS (INDIA) LTD.
FOR THE PERIOD ENDING 30.09.2014

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March, 2014

	For the year Ended 31, March 2014 Amount (Rs.)	For the year Ended 31, March 2013 Amount (Rs.)
Cash flows from operating activities		
Net Profit as per Profit & Loss A/c	613441.00	918226.00
Adjustments for :		
Depreciation	21,912.00	55569.00
P/P Expenses	0.00	0.00
Income Tax	190742.00	287089.00
Operation profit before working capital changes	444,611.00	686,706.00
Change in Current Asset:-		
Decrease (Increase) in Trade & Other Receivables	(21,540,926.00)	(30,491,730.00)
Decrease (Increase) in Inventory	23,234.00	124,586.00
Decrease (Increase) in Loans & Advances	7,854,497.00	150,240,449.00
Decrease (Increase) in Other Assets	333,556.00	1,290,134.00
Change in Current Liabilities	(1,826,163.00)	(166,035,155.00)
Increase (Decrease) in provisions (Other than Taxes)	156,978.00	57,360.00
NET CASH FROM OPERATING ACTIVITIES	(14,998,824.00)	(44,814,356.00)
Cash flows from investing activities		
(Purchase) / Sale of Investment	-	4,000,000.00
Purchase of fixed Assets	-	-
Sale of fixed Assets	-	-
NET CASH FROM INVESTING ACTIVITIES	-	4,000,000.00
Cash flows from Financing activities		
Increase / (Repayment) of Secured/unsecured loans	13,962,176.00	13,268,501.00
Preliminary Expenses Incurred	-	-
Increase from issue of Fresh capital	-	27,275,000.00
NET CASH FROM FINANCING ACTIVITIES	13,962,176.00	40,543,501.00
Net increase(Decrease) In cash and cash equivalents	(592,037.00)	415,851.00
Cash and Cash equivalents beginning of year	1,369,991.00	954,140.00
Cash and Cash equivalents at end of year	777,954.00	1,369,991.00

Notes:1

Figures in brackets indicate cash outflow

Notes:2

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

As per our report of even date

For J. Agarwal & Associates

Chartered Accountants

FRN: 002601C

PARTNER

CA JALAJ AGARWAL

(PARTNER)

M. No. 071738

For and on behalf of Board of Directors

MANMOHAN SINGH
(MANAGING DIRECTOR)

ANKUR AGARWAL
(DIRECTOR)



SIGNIFICANT ACCOUNTING POLICIES & NOTES TO THE ACCOUNTS

1. SYSTEM OF ACCOUNTING

The accounts are prepared on accrual basis under historical cost convention and to comply in all material aspects with applicable accounting standards in India, issued by the institute of chartered accountants of India and the relevant provisions of the companies act, 1956 & 2013.

2. INVENTORIES

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

3. INVESTMENTS

Long term investments are carried at cost price

4. FIXED ASSETS

FIXED Assets are stated at cost of acquisition less depreciation as per Companies Act 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 & CONTINGENT ASSETS

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

8. BORROWING COST

Borrowing costs that are attributable to the acquisition/construction of qualifying assets are capitalized as part of cost of such assets. A 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/reliefs admissible under the income Tax Act 1961 as per the normal provisions of the act. Deferred tax assets are not recognized as per the conservative approach.

10. IMPAIRMENT OF ASSETS

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

11. 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 Period Rs. 21,912.00 (Prev. Yr. Rs. 55,569.00).

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 30.09,2014

a) Information about Primary Business Segments

(Rupees in La

Sr. No	PARTICULARS	30 September, 2014					31 March, 2014			
		SHARES TRADING	COTTON CLOTH TRADING	IRON PRODUCTS	INTEREST INCOME	TOTAL	CHEMICAL TRADING	IRON PRODUCTS	INTEREST INCOME	TOTAL
1	REVENUES									
	External	76.69	165.03	52.98	1.21	295.91	385.78	30.44	37.02	453.2
	Inter - Segment	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.0
	Total Revenues	76.69	165.03	52.98	1.21	295.91	385.78	30.44	37.02	453.2
2	RESULTS									
	Operating Profit Before Tax (PBT)	-1.26	8.11	9.12	1.21	17.18	55.03	1.24	37.02	93.2
	Unallocated Costs					11.77				84.1
	Less: Tax Provision					1.91				2.8
	Profit After Tax (PAT)					4.23				6.3
3	Segment Assets									
	Unallocated Assets					4760.34				4633.1
	Total Assets		0.00	0.00	0.00	4760.34	0.00	0.00	0.00	4633.1
4	Segment Liabilities									
	Unallocated Liabilities					2740.04				2617.1
	Total Liabilities		0.00	0.00	0.00	2704.04	0.00	0.00	0.00	2617.1
5	Capital Employed		0.00	0.00	0.00	2704.04	0.00	0.00	0.00	2617.1

b) Information about Secondary Business Segments

Revenue by Geographical Market

(Rupees in Lacs)

Sr. No.	PARTICULARS	2013-14			2013-14		
		WITHIN INDIA	OUTSIDE INDIA	TOTAL	WITHIN INDIA	OUTSIDE INDIA	TOTAL
1	External	294.70	0.00	294.70	453.24	0.00	453.24
2	Inter Segment	0.00	0.00	0	0.00	0.00	0.00
	Total	294.70	0.00	294.70	453.24	0.00	453.24
	Additions to Fixed Assets			0.00			0.00

c) Notes:

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

- Cotton Trading
- Iron Products Trading
- Share Trading
- 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:

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



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

Related party where significant influence exists is mentioned below:

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

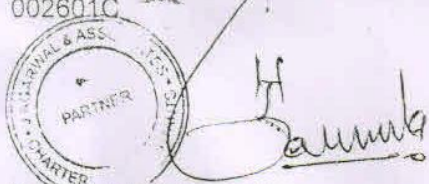
17. During the year under consideration no borrowing cost has capitalized by the company in accordance with the Accounting Standard 16. 'Borrowing Cost' issued by the Institute of Chartered Accountants of India.

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

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

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

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



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

Date : 20/10/2014
Place: NEW DELHI

For CITYON SYSTEMS (INDIA) LTD.



MANMOHAN SINGH
(MANAGING DIRECTOR)



ANKUR AGARWAL
(DIRECTOR)

