

27TH

ANNUAL REPORT

2018 - 2019



CITI PORT FINANCIAL SERVICES LIMITED

27TH ANNUAL GENERAL MEETINGThursday, 26th Day of September, 2019 at 12:00 PM

At Hotel Inner Circle, Raj Bhavan Road, Somajiguda, Hyderabad-500073.

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COMPANY INFORMATION

BOARD OF DIRECTORS

- | | |
|----------------------------------|-------------------|
| 1. Mr. Enjamuri Pardha Saradhi | Managing Director |
| 2. Mr. Ratan Kishan Musurnur | Director |
| 3. Smt. Dhanushree Guddep | Women Director |
| 4. Mr. Partha sarathi Prattipati | Director |
| 5. Mr. Yetukuri Mallikarjunrao | Director |

CHEIF FINANCIAL OFFICER (CFO)

Mr. Raja sekhar Katta

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Ramachander Rao Desharaju

STATUTORY AUDITORS

M/s. NSVR & Associates LLP
Road No 10, Banjara Hills,
Hyderabad-500034

INTERNAL AUDITOR

Sravanthi Karuturi
(M No.239567)
Chartered accountant
Hyderabad

SECRETARIAL CONSULTANTS

M/s P S RAO & ASSOCIATES
Company Secretaries
Hyderabad

REGISTERED OFFICE

H.No. 64&71(O), 255 & 256 (N) Flat No 5c,
5th Floor, Doyen Habitat,
Srinagar Colony Hyderabad
Telangana-500073

SHARE TRANSFER AGENTS

M/s. Bigshare Services Private Limited,
Flat No. 306, right wing,
3rd floor, Amrutha Ville,
Opp: Yashodha Hospital,
Somajiguda, Rajbhavan Road,
Hyderabad-500082

LISTED AT: BSE Limited

BOARD COMMITTEE

Audit Committee:

Mr. Parthasarathi Prattipati - (Chairman)
Mr. Yetukuri Mallikarjunrao
Smt. Dhanushree Guddep

Nomination & remuneration Committee:

Mr. Parthasarathi Prattipati - (Chairman)
Mr. Yetukuri Mallikarjunrao
Smt. Dhanushree Guddep

Stakeholder Relationship Committee:

Mr. Parthasarathi Prattipati - (Chairman)
Mr. Yetukuri Mallikarjunrao
Smt. Dhanushree Guddep

NOTICE

NOTICE is hereby given that the 27th Annual General Meeting of the members of the Company will be held at Hotel Inner Circle, Raj Bhavan Road, Somajiguda, Hyderabad-500073 on **Thursday, 26th September, 2019** at 12.00 P.M to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider, approve and adopt the Audited Balance Sheet of the Company as at 31st March, 2019 and the Profit and Loss account for the year ended on that date and the Report of Directors' and the Auditors thereon.
2. To appoint a Director in place of Mrs. Dhanushree Gudeep (DIN: 07594487) who retires by rotation, being eligible offers herself for re-appointment.

SPECIAL BUSINESS:

3. **To consider and approve the reappointment of Mr. Enjamuri Pardha Saradhi as the Managing Director of the company**

To consider and if, thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of section 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013, read with Schedule V of the said act and Companies (Appointment and Remuneration of Managerial Personal) Rules, 2014 (including any statutory modification(s) or reenactment(s) thereof, for the time being in force), the recommendations of Nomination & Remuneration Committee and the Board of Directors, the consent of the members of the Company be and is hereby accorded for the re-appointment of Mr. Enjamuri Pardha Saradhi, as the Managing Director of the for another Three years term effective from 23rd day of August, 2019."

"FURTHER RESOLVED THAT pursuant to section 196(3) read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), approval of the Members of the Company be and is hereby granted for continuation of holding of office of Managing Director by Mr. Enjamuri Pardha Saradhi (DIN:-07531047) who will be attain the age of 70 (Seventy) years as on July 1st, 2021 upto the expiry of his present term of office, duly approved by the shareholders in Annual General Meeting."

"RESOLVED FURTHER THAT Board of Directors be and is hereby authorised to alter and vary such terms of appointment and remuneration so as do not exceed the limits specified in Schedule V to the Companies Act, 2013 as may be agreed by Mr. Enjamuri Pardha Saradhi (DIN - 07531047) and the Board of Directors" and to do all such acts deeds and thing as may be required to give effect to the resolution.

4. **Appointment of Mr. Parthasarathi Prathipati (DIN :00004936) as an Independent Director of the Company for a second term of five consecutive years, in terms of Section 149 of the Companies Act, 2013:**

To Consider and if thought fit, to pass with or without modification(s) the following resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 149, 152, 160 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the

time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, Mr. Parthasarathi Prathipati (DIN : 00004936), who was appointed as an Independent Director of the Company for a term of five years at the 22nd Annual General Meeting, in terms of Section 149 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five consecutive years upto the conclusion of the 32nd Annual General Meeting of the members of the company.”

By order of the Board
For CITI PORT FINANCIAL SERVICES LTD

Sd/-
Enjamuri Pardha Saradhi
Managing Director
DIN :- 07531047

Place: Hyderabad
Date: 13th August, 2019

Notes:

1. An Explanatory Statement setting out all material facts as required under Section 102 of the Companies Act, 2013 in respect of special business of the Company is appended and forms part of the Notice.
2. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote on poll instead of him/her and such proxy need not be a member of the Company. Appointing a proxy does not prevent a member from attending the meeting in person if he/she so wishes.
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
4. Proxies in order to be effective must be delivered at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
5. Corporate members intending to send their authorised representatives to attend the meeting are requested to send to the Company a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the meeting.
6. The register of Members and share Transfer Books of the Company in respect of Equity shares will remain closed from Saturday 21st September 2019 to Thursday, 26th September, 2019. (both days inclusive)
7. In case you are holding the Company's shares in dematerialized form, please contact your depository participant and give suitable instructions to update your bank details in your demat account and to notify any changes with respect to their addresses email id, ECS mandate. In case you are holding Company's shares in physical form, please inform Company's STA viz. M/s. Bigshare Services Private Limited, Flat No. 306, Right Wing, 3rd Floor, Amrutha Ville Apt., Opp: Yashodha Hospital, Somajiguda, Rajbhavan Road, Hyderabad-500082, by enclosing a photocopy of blank cancelled cheque of your bank account.
8. M/s. Bigshare Services Private Limited, Flat No. 306, Right Wing, 3rd Floor, Amrutha Ville Apt., Opp: Yashodha Hospital, Somajiguda, Rajbhavan Road, Hyderabad-500082, Phones: 040 4014 4967 Email: bsshyd@bigshareonline.com is the Registrar & Share Transfer Agent (STA) of the Company. All communications in respect of share transfers and change in the address of the members may be communicated to them.
9. Members holding shares in the same name under different Ledger Folios are requested to apply for consolidation of such Folios and send the relevant share certificates to the Share Transfer Agent/ Company.
10. Members holding shares in physical form are informed to furnish their bank account details to the STA to have printed the same on the dividend warrants so as to avoid any possible fraudulent encashment / misuse of dividend warrants by others.

11. Members seeking any information or clarification on the accounts are requested to send queries in writing to the Registered Office of the Company, at least one week before the date of the meeting. Replies will be provided in respect of such written queries at the meeting.
12. Relevant documents referred to in the accompanying Notice are open for inspection by the members at the Registered office of the Company on all working days, between 11.00 A.M. to 1.00 P.M. upto the date of the meeting.
13. Members/Proxies are requested to bring the attendance slip filled in for attending the Meeting. Members are requested to come to the venue of the meeting well in advance for registration. No registration will be entertained after fifteen minutes from the scheduled time of the commencement of the meeting.
14. The annual report for the financial year 2018-19 is being sent through email to those members who have opted to receive electronic communication or who have registered their email addresses with the Company/depository participants. The annual report is also available on our website, i.e. www.citiportfinancialservices.com The physical copy of the annual report has been sent to those members who have either opted for the same or have not registered their email addresses with the Company/depository participant. The members will be entitled to a physical copy of the annual report for the financial year 2018-19, free of cost, upon sending a request to the Company Secretary at H No. 64&71(O), 255 & 256 (N) Flat No 5c, 5th Floor, Doyen Habitat, Srinagar Colony Hyderabad -500073. Telangana.
15. The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market for transaction of transfer, transmission/transposition and deletion of name of deceased holder. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they have demat accounts. Members holding shares in physical form can submit their PAN details to the Registrar & Share Transfer Agents of the Company i.e., Bigshare Services Private Limited
16. Members who hold shares in physical form can nominate a person in respect of all the shares held by them singly or jointly. Members who hold shares in single name are advised, in their own interest to avail of the nomination facility. Members holding shares in dematerialized form may contact their respective depository participant(s) for recording nomination in respect of their shares.
17. Section 108 of the Companies Act, 2013, read with rules made thereunder and Sub-regulation (1) of Regulation 44 of SEBI (LODR) Regulations, 2015, requires a listed Company to provide e-voting facility to its shareholders, in respect of all shareholders' resolutions, to be passed at General Meetings. Accordingly, the Company is pleased to offer e-voting facility as an alternate, for all its Members to enable them to cast their vote electronically.
18. In case a Member desires to exercise his/her/its vote by using e-voting facility then he/she/it has to carefully follow the instructions as given for E-Voting. He/she/it can use the facility and log in any number of times till he/she/it has voted on the Resolution or till the end of the voting period whichever is earlier. The detailed instructions for E-Voting are given as part of this Notice.

19. Since E-Voting facility is provided to the Members pursuant to Sub-regulation (1) of Regulation 44 of SEBI (LODR) Regulations, 2015 and pursuant to the provisions of Section 108 of the Companies Act, 2013, read with Companies (Management and Administration) Rules, 2014, as amended, the chairman shall call for voting by poll at the meeting and upon such call being made, the voting by show of hands will not be allowed at the meeting.
20. The results of the e-voting and result of the physical voting at the meeting will be declared within 48 hours of conclusion of the meeting and the results along with the scrutinizer's report shall be placed on the website of the Company.
21. The voting rights of members shall be in proportion to their shareholding in the paid up equity share capital of the Company as on Friday, 20th day of September 2019 being the cut-off date.
22. The members of the Company, holding shares either in physical form or in dematerialized form, as on Friday, 20th day of September 2019, being the cutoff date, may cast their vote (for or against) electronically.
23. The facility for voting through poll shall be made available at the meeting and the members attending the meeting who have not already cast their vote electronically through e-voting shall be able to exercise their voting right at the Meeting.
24. The members who have cast their vote by e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
25. Mr. Jineshwar Kumar sankhala, Practising Company Secretary has been appointed by the Board as Scrutinizer for the purpose of ascertaining the requisite majority for all the businesses in a fair and transparent manner. The results declared along with the scrutinizer's report shall be placed on the website of the Company.
26. Pursuant to Regulation 36(3) of SEBI (LODR) Regulations, 2015, brief profile of the Directors proposed to be appointed, re-appointed, is annexed to this notice.
27. The Proxy Form and the Attendance slip are enclosed with this notice.
28. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company / STA.

E-VOTING

Process and manner for members opting for e-voting are as under:

The Company is offering e-voting facility to its members enabling them to cast their votes electronically. The Company has signed an agreement with M/s Central Depository Services (India) Limited (CDSL) for facilitating e-voting to enable the shareholders to cast their votes electronically pursuant to Rule 20 of Companies (Management and Administration) Rules, 2014. The instructions for e-voting are as under:

- (i) The voting period begins on Monday 23rd September, 2019 at 09.00 Hrs and ends on , Wednesday 25th September, 2019 at 17.00 Hrs. During this period shareholder's of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 20th September, 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website **www.evotingindia.com** during the voting period
- (iii) Click on "Shareholders" tab.
- (iv) Now, select the "**CITI PORT FINANCIAL SERVICES LIMITED**" from the drop down menu and click on "SUBMIT"
- (v) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

If you are a first time user follow the steps given below:

| For Members holding shares in Demat Form and Physical Form | |
|---|---|
| PAN | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders). <ul style="list-style-type: none"> ● Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. ● In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field |
| DOB | Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format. |
| Dividend Bank Details | Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> ● Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v). |

- (i) After entering these details appropriately, click on "SUBMIT" tab.
- (ii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (iii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (iv) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (v) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (vi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (vii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (viii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (ix) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (x) If Demat account holder has forgotten the password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xi) Note for Institutional Shareholders
 - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporate.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- (xii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cslindia.com.
14. Kindly note that the shareholders can opt only one mode of voting i.e. either by e-voting or physical mode. If you are opting for e-voting, then do not vote by physically also and vice versa. However, in case shareholders cast their vote physically and e-voting, then voting done through e-voting will prevail and voting done physically will be treated as invalid.
15. The Company has appointed Mr. Jineshwar Kumar Sankhala, Practicing Company secretary, Hyderabad as Scrutinizer for conducting the e-voting process for the Annual General Meeting.

By order of the Board
For CITI PORT FINANCIAL SERVICES LIMITED

Sd/-
Enjamuri Pardha Saradhi
Managing Director
DIN :- 07531047

Place: Hyderabad
Date: 13th August, 2019

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013:

The following Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

ITEM NO. 3:

The tenure of Mr. Enjamuri Pardha Saradhi, Managing Director of the Company, will be expired on 22nd August 2019. Taking into consideration of his rich experience and contribution to the Company, and pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company, subject to the approval of the members at the ensuing AGM, passed a resolution on 13th August, 2019, approving the re-appointment of Mr. Enjamuri Pardha Saradhi as the Managing Director of the Company for a further period of three years with effect from 23rd August 2019. Keeping in view of his rich experience in the Industry and having been involved in the operations of the Company over a long period of time, it would be in the interest of the Company to continue the employment of Mr. Enjamuri Pardha Saradhi as Managing Director.

Mr. Enjamuri Pardha Saradhi, Managing Director will attain the age of 70 years in the month of July 2021. In view of the introduction of the Companies Act, 2013 (new Act) with effect from 1st April 2014 and also for an abundant precaution, the Company seeks consent of the members by way of special resolution for continuation of their holding of existing office after the age of 70 years during the currency of their term of appointment under the provisions of Section 196 (3) (a) of the Companies Act, 2013.

Save and except by Mr. Enjamuri Pardha Saradhi (DIN - 07531047) and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

The Board commends the Special Resolution set out at Item No. 3 of the Notice for approval by the Shareholders.

ITEM NO. 4:

In accordance with the provisions of Section 149 read with schedule IV to the Companies Act, 2013, appointment of an Independent Director requires approval of members. Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors have proposed that Mr. Parthasarathi Prathipati (DIN : 00004936) be appointed as Non-Executive Independent Directors on the Board for a second term of five consecutive years, in terms of Section 149 of the Companies Act, 2013, whose office is not liable to retire by rotation. The appointment of Mr. Parthasarathi Prathipati shall be effective upon approval by the members in the Meeting. The Company has received notices in writing from members under Section 160 of the Act proposing the candidature of Mr. Parthasarathi Prathipati for the office of Director of the Company. The Company has received individual declaration from Mr. Parthasarathi Prathipati stating that they meet the criteria of independence as prescribed under sub-section (6) of Section 149 of the Act. Mr. Parthasarathi Prathipati is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given individual consents to act as Director.

None of the Directors or Key Managerial Personnel of the Company and their relatives, other than Independent Directors for their respective appointment, are concerned or interested, financially or otherwise, in these Resolutions.

The Board recommends the **Special Resolution** as set out at item no. 4 for approval of the Members

Information in respect of directors seeking appointment/re-appointment as required under SEBI (LODR) REGULATIONS, 2015

| | | | |
|---|--|--|-----------------------------|
| Name of the Directors | Mrs. Dhanushree Gudeep | Mr. Parthasarathi Prathipati | Mr. Enjamuri Pardha Saradhi |
| Date of first appointment | 23/08/2016 | 10/01/2009 | 30/05/2016 |
| Date of birth/age | 02/08/1986 | 27/10/1948 | 01/07/1951 |
| Expertise in specific functional areas | Human Resource | Finance | Finance |
| Educational qualification | Graduation | B.Com & holds CAIIB qualification | Graduation |
| Chairman/member of the committees of board of Directors of the company | Audit Committee Member | Audit Committee Chairman | NIL |
| | Nomination & Remuneration committee member | Nomination & Remuneration committee chairman | |
| | Investor & shareholder committee member | Investor & shareholder committee chairman | |
| List of Directorships, Committee Chairmanship, Membership held in other companies as on Date excluding Private limited Companies | NIL | NIL | NIL |

DIRECTORS' REPORT**To**

The Members

Your Directors have pleasure in presenting the 27th Annual Report together with the Audited Accounts of the Company for the year ended 31st March 2019.

FINANCIAL SUMMARY**(Amt. in Rs.)**

| PARTICULARS | YEAR ENDED 31.03.2019 | YEAR ENDED 31.03.2018 |
|---|----------------------------------|----------------------------------|
| Sales (Excl. Duties and Taxes) | 1,77,5186 | 1,720,341 |
| Other Income | 0 | 5,565 |
| Total Income | 1,77,5186 | 1,725,906 |
| Total Expenditure | 1,72,4305 | 1,727,982 |
| Interest | 22,049 | 77,067 |
| Profit Before Depreciation and Taxation | 28,832 | (79,144) |
| Depreciation | 0 | 2,784 |
| Profit Before Tax | 28,832 | (81,928) |
| Exceptional Items | | |
| Tax | 6,237 | 210 |
| Net Profit / (Loss) | 22,595 | (82,137) |

COMPANY PERFORMANCE:

During the financial year under review, your Company has achieved total income of Rs. 17.75 lakhs as against the previous year income of Rs. 17.20 lakhs and recorded net profit of Rs. 0.22 lakhs for financial year 2018-19 when compared to a net loss of Rs. 0.82 lakhs during the previous year.

SHARE CAPITAL :

The paid up equity share capital of the Company as on 31st March, 2019, is Rs.3,10,00,000/-During the year under review, the Company has not issued shares with differential voting rights, sweat equity shares or Employee Stock Options.

TRANSFER OF AMOUNT TO GENERAL RESERVE :

No amount has been transferred to reserves during the year.

DIVIDEND:

Your Directors do not recommend any Dividend for the financial year 2018-2019

DEPOSITS :

The Company has neither accepted nor renewed any deposits falling within the provisions of Section 73 and 76 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 from its member and public during the Financial Year.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS :

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

BOARD MEETINGS :

During the year under review, four board meetings were held on 30.05.2018, 13.08.2018, 14.11.2018 and 11.02.2019. The maximum time-gap between any two consecutive meetings was within the period prescribed under the Companies Act, 2013.

BOARD EVALUATION :

The Board of Directors evaluated the annual performance of the Board as a whole, its committee's and the directors individually in accordance with the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 in the following manner:

- i. Structured evaluation forms, as recommended by the Nomination and Remuneration Committee, after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance, for evaluation of the performance of the Board, its Committee's and each director were circulated to all the members of the Board along with the Agenda Papers.
- ii. The members of the Board were requested to evaluate by filling the evaluation forms and the duly filled in evaluation forms were required to be sent to the Company Secretary in a sealed envelope or personally submitted to the Chairman at the concerned meeting.
- iii. Based on the individual evaluation of the Directors, the Board initiated a detailed discussion at the concerned meeting on the performance of the Board / Committee/Individual Director, and formulated a final collective evaluation of the Board. The Board also provided an individual feedback to the concerned director on areas of improvement, if any.

A separate meeting of Independent Directors was held on 11th February 2019 to evaluate the performance evaluation of the Chairman, the Non Independent Directors, the Board and flow of information from management.

DIRECTORS & KEY MANAGERIAL PERSONAL:

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mrs. Dhanushree Gudeep retires by rotation at the ensuing Annual General Meeting and being eligible, offers herself for re-appointment.

The tenure of Mr. Enjamuri Pardha Saradhi (DIN - 07531047), Managing Director will be expired on 22nd August, 2019. Taking in to consideration of his rich experience and contribution to the Company, and pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company, subject to the approval of the members at the ensuing AGM, passed a resolution on 13th August, 2019 approving the reappointment of Mr. Enjamuri Pardha Saradhi as Managing Director of the Company for a further period of three years with effect from 23rd, August 2019 to 22nd August, 2022.

Mr. Parthasarathi Prathipati who was appointed as the independent directors of the company at the 22nd Annual General Meeting of the company for a period of five years i.e. up to 27th Annual General Meeting of the company have completed their term of appointment. Further, pursuant to the provisions of Section 149 of the Companies Act, 2013, the recommendations of the Nomination and Remuneration Committee, the Board of Directors of the Company hereby recommends the appointment of Mr. Parthasarathi Prathipati as the Independent Director of the company for another period of 5 years

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 134 (5) of the Companies Act, 2013, your Directors confirm that to the best of their knowledge and belief and according to the information and explanation obtained by them,

- i. In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii. Such accounting policies as mentioned in the notes to the financial statements have been selected and applied consistently and judgments and estimates that are reasonable and prudent made so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 2018-19 and of the profit or loss of the Company for that period;
- iii. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. The annual accounts for the year 2018-19 have been prepared on a going concern basis.
- v. That proper internal financial control was in place and that the financial controls were adequate and were operating effectively.
- vi. That system to ensure compliance with the provisions of all applicable laws was in place and was adequate and operating effectively.

AUDITORS:

Pursuant to the provisions of Section 139(2) of the Companies Act, 2013, M/s. NSVR & Associates LLP, (FRN:- 008801S/S200060) Chartered Accountants, Hyderabad, appointed as Statutory Auditors of the Com-

pany for a period to hold office from the conclusion of 26th Annual General Meeting till the conclusion of 31st Annual General Meeting at such remuneration as decided by the Board and such appointment will be in accordance with the limits specified in Section 141 of the Companies Act, 2013.

INTERNAL AUDITOR:

The Board of Directors based on the recommendation of the Audit Committee has appointed Sravanthi Karuturi (M No.239567), Chartered Accountants, Hyderabad, as the Internal Auditors of your Company. The Internal Auditors are submitting their reports on quarterly basis.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY :

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

The Company is under the business of investment and financing so the particulars of the Conservation of energy and Technology Absorption is **NOT APPLICABLE**

Foreign Exchange Earnings and Out go: **NIL**

MANAGEMENT DISCUSSION & ANALYSIS :

Pursuant to the provision of Regulation 34 (2) (e) of SEBI (LODR) Regulations, 2015 a report on Management Discussion & Analysis is set out as an **Annexure A**.

SECRETARIAL AUDIT :

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. Jineshwar Kumar Sankhala a Company Secretary in Practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith as "**Annexure B**" to this report.

SUBSIDIARIES & ASSOCIATE COMPANIES :

During the financial year under review, Citiport credit limited as subsidiary and Goldenvalley Holding Private Limited as associate companies.

The Statement containing the salient feature of the financial statement of subsidiaries as per sub section (3) of section 129 of the Companies Act, 2013 in form AOC-1 is herewith annexed as **Annexure-C** to this report.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS:

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

RELATED PARTY TRANSACTIONS :

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

All related party transactions are placed before the Audit Committee as also the Board for approval. Prior omnibus approval of the Audit Committee is obtained as per Regulation 23 of the SEBI (LODR) REGULATIONS, 2015 for the transactions which are of a foreseen and repetitive nature. The Company has developed a Policy on Related Party Transactions for the purpose of identification and monitoring of such transactions.

The Policy on Related Party Transactions as approved by the Board is uploaded on the website of the Company. The particulars of contracts or arrangements with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 in **Form AOC-2** is herewith annexed as '**Annexure D**' to this report.

EXTRACT OF ANNUAL RETURN :

The details forming part of the extract of the Annual Return in **Form MGT - 9** is annexed herewith as "**Annexure E**" to this report.

RISK MANAGEMENT :

Pursuant to the provisions of section 134 (3) (n) and read with all other applicable provisions of the Companies Act, 2013 and the Companies (Accounts) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and as per SEBI(LODR)Regulations,2015 the Risk management is not applicable to the Company.

CORPORATE SOCIAL RESPONSIBILITY :

Pursuant to the provisions of section 135 (1) and read with all other applicable provisions of the Companies Act, 2013 and the Companies (Corporate social responsibility policy) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), corporate social responsibility is not applicable to the Company.

CORPORATE GOVERNANCE:

Since the paid up capital of the Company is less than Rs. 10 Crores and the net worth of the Company is less than Rs.25 Crores, the provisions of Regulations 17, 18,19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation 2 of Regulation 46 and para C, D & E of Schedule V of the Securities Exchange Board of India(Listing Obligations and Disclosure Requirements)Regulations, 2015, are not applicable to the Company.

VIGIL MECHANISM :

Pursuant to the provisions of section 177 (9) and read with all other applicable provisions of the Companies Act, 2013 and the Companies (meetings of board and its powers) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and SEBI (LODR)Regulations,2015

the Company has a Whistle Blower Policy framed to deal with instance of fraud and mismanagement, if any in the Group. and also posted on the website of the Company.

NOMINATION & REMUNERATION POLICY

A committee of the Board named as “Nomination and Remuneration Committee” has been constituted to comply with the provisions of section 178 of Companies Act, 2013 and to recommend a policy of the Company on directors’ appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a director and other matters and to frame proper systems for identification, appointment of Directors & KMPs, Payment of Remuneration to them and Evaluation of their performance and to recommend the same to the Board from time to time. The policy is also posted in the of the company’s website.

PARTICULARS OF EMPLOYEES :

The information required pursuant to Section 197 (12) read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, in respect of employees of the Company is herewith annexed as **Annexure-F**. In terms of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company does not have any employee who is employed throughout the financial year and in receipt of remuneration of 102 Lakhs or more, or employees who are employed for part of the year and in receipt of 8.5 Lakhs or more per month.

HUMAN RESOURCES:

The Company considers its Human Resources as the key to achieve its objectives. Keeping this in view, your Company takes utmost care to attract and retain quality employees. The employees are sufficiently empowered and such work environment propels them to achieve higher levels of performance. The unflinching commitment of the employees is the driving force behind the Company’s vision. Your Company appreciates the spirit of its dedicated employees

POLICY ON PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT AT WORK PLACE :

The Company strongly supports the rights of all its employees to work in an environment free from all forms of harassment. The Company has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at workplace as per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder. The policy aims to provide protection to Employees at the workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where Employees feel secure. The Company has also constituted an Internal Committee, known as Anti Sexual Harassment Committee to address the concerns and complaints of sexual harassment and to recommend appropriate action.

The Company has not received any complaint on sexual harassment during the year

ACKNOWLEDGEMENTS:

Your Directors place on record their appreciation and gratitude for the continuous support and assistance extended by all the Statutory Authorities. The Board also extends its heartfelt gratitude to the Creditors and Shareholders for the confidence reposed by them in the Company. Your Directors also place on record their sincere appreciation for the continued contributions made by the employees at all levels.

By order of the Board of Directors
For CITI PORT FINANCIAL SERVICES LIMITED

Sd/-
Enjamuri Pardha Saradhi
Director
DIN:-07531047

Sd/-
Parthasarathi Prattipati
Director
DIN:- 00004936

Place: Hyderabad
Date: 13th August, 2019

MANAGEMENT DISCUSSION & ANALYSIS

NBFC & GROWTH:

NBFCs being financial intermediaries are engaged in the activity of bringing the saving and the investing community together. In this role they are perceived to be playing a complimentary role to banks rather than competitors, as it is a known fact that majority of the population in the country do not yet have access to mainstream financial products and services including a bank account. Therefore, the country needs institutions beyond banks for reaching out in areas where banks' presence may be lesser. Thus, NBFCs have carved niche business areas for them within the financial sector space and are also popular for providing customized products. In short, NBFCs bring the much needed diversity to the financial sector thus diversifying the risks, increasing liquidity in the markets thereby promoting financial stability and bringing efficiency to the financial sector.

OPPORTUNITIES AND THREATS:

The NBFC sector has great potential to grow further and the Government of India is also focusing on their development and expansion in rural areas. The recent steps by the Government of India to create Infrastructure for NBFC and to provide banking license for NBFCs is a positive signal and the emergence of REMF (Real Estate Mutual Funds) & REIT (Real Estate Investment Trust) has brought new scope for funding in Real Estate Sector.

However, NBFC's do play a critical role in participating in the development of an economy by development in sectors like transport, employment generation, wealth creation, bank credit in rural segments and to support financially weaker sections of the society. Emergency services like financial assistance and guidance is also provided to the customers in the matters pertaining to insurance.

RISKS AND CONCERNS:

Being in the financial services business has its own typical risks and the Company takes full cognizance of the fact that these risks can have a serious impact on the operations of the Company as well as its profitability. In order to ensure that the impact of risks is minimal, the Company lays utmost importance on scanning the external environment regularly. The Company also has adequate risk identification.

To mitigate the risks affecting the growth and profitability the company has directed its efforts for risk management by employing the people who are expertise and trying to initiate new technology. The company is constantly engaged in innovating its methods and procedure of risk management

INDUSTRY OUTLOOK:

Non-banking finance companies (NBFC's) are integral part of country's financial system because their complementary as well as competitive role. They act as critical link in the overall financial system catering to a large market of niche customers. However, competition continues to be intense as India and foreign banks have entered the retail trading business in a big way, thereby exerting pressure on margins. The erstwhile providers of funds have now become competitor. NBFC's can sustain in this competitive environment only through optimizing of funding costs, identification of potential business areas, widen-

ing geographical reach, and use of technology, cost efficiency , strict monitoring and raising the level of customer service.

COMPANY OUTLOOK

The company has profit during the financial year 2018-19. The board of directors of your company feel that the economy will improve still in the coming years providing the greater chance for your company to grow further. Moreover, Indian Government took many initiatives programs which will promote industry to come with many opportunities and chance to grow further in coming years. Your company is actively engaged in introducing innovative and customized products for the customers. The management of your company is making all efforts in finding new areas and markets for exploring the company's products and services.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has proper and adequate internal control systems to ensure that all the assets are safeguarded and that all transactions are authorized recorded and reported correctly. Regular internal audits and checks are carried out to ensure that the execution of approved activities is in line with the policies and processes in place and that the systems are adequately strengthened to ensure compliance. Internal audit cover verification of Loan & security creations documents, repayments, Credit evaluation, as also process audits of various functions & Systems audits.

The Board of Directors has been entrusted with the responsibility of reviewing the findings and to investigate and take necessary actions wherever required.

HUMAN RESOURCES/ INDUSTRIAL RELATIONS:

The Company recognizes that its success is deeply embedded in the success of the human resources. The Company has significantly scaled up its activities through investment in people and infrastructure. The Company nurtures its employees as its critical assets through healthy working atmosphere that ensures equal opportunity for growth and challenge to all the employees. The Company believes in creating business leaders by employing best talent in the industry, providing opportunities, empowerment by delegations, training and taking care of their growth. As our business grows, we would continue to expand the human resources which are fundamental to the financial services business.

Form No MR - 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31st MARCH, 2019

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

To
The Members,
CITI PORT FINANCIAL SERVICES LIMITED,
Hyderabad.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **CITI PORT FINANCIAL SERVICES LIMITED**, (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019 according to the provisions of:
 - i. The Companies Act, 2013 (the Act) and the rules made there under.
 - ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
 - iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
 - iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment and Overseas Direct Investment.(the Company has not raised any External Commercial Borrowing)
 - v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015/2018;

- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009/2018 (Not applicable to the Company during the audit period);
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefit) Regulations, 2014 (Not applicable to the Company during the audit period);
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008/2018; (Not applicable to the Company during the audit period)
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the audit period); and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998/2018 (Not applicable to the Company during the audit period);
- vi. Other laws including Banking Regulation Act, 1949, Rules, Regulations and Guidelines issued by the Reserve Bank of India are applicable to Non-Banking Financial Companies with classification as a 'Loan Company'; which is specifically applicable to the Company.

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

- i. The SEBI (LODR) Regulations entered into by the Company with Stock Exchange and
- ii. Secretarial Standards issued by the Institute of Company Secretaries of India

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc.

We further report that

- * The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There is no changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- * Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- * All the decisions at the Board Meetings and Committee Meetings have been carried out unanimously as recorded in the Minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that

- * There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- * There were no such specific events/actions in pursuance of the above referred laws, rules, regulations, etc., having a major bearing on the Company's affairs.

Sd/-
Jineshwar Kumar Sankhala
Company Secretary
C.P. No : 18365

Place: Hyderabad
Date: 13th August, 2019

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statements of subsidiary company as on 31.03.2019

Part "A": Subsidiaries

(Amount in Rupees)

| | |
|---|--|
| Name of the Subsidiary Company | Citiport Credit Limited |
| Reporting Period for the Subsidiary concerned, if different from the holding company's reporting period | Both the Parent & Subsidiary companies are following the same Reporting Period namely "01-Apr-2018 to 31-Mar-2019" |
| Reporting Currency | INR |
| Exchange Rate | NA |
| Capital | 1,17,98,900 |
| Reserves | (3,421,702) |
| Total assets | 8,836,698 |
| Total Liabilities | 8,836,698 |
| Turnover | 0 |
| Profit/Loss before taxation | (8,218) |
| Provision for taxation | 0 |
| Proposed Dividend | 0 |
| No of shares | 11,79,890 |
| Investment | 97,45,000 |

- Names of subsidiaries which are yet to commence operations - NA
- Names of subsidiaries which have been liquidated or sold during the year - NA

Statement containing salient features of the financial statements of associate company as on 31.03.2019

Part "B": Associates

| Name of the Associate Company | Goldenvally Holdings Private Limited |
|---|--|
| Reporting Period for the Subsidiary concerned, if different from the holding company's reporting period | Both the companies are following the same Reporting Period namely "01-Apr-2018 to 31-Mar-2019" |
| Reporting Currency | INR |
| Exchange Rate | NA |
| Capital | 3,08,61,300 |
| Reserves | -3,081,113 |
| Total assets | 30,618,673 |
| Total Liabilities | 30,618,673 |
| Turnover | 1,933,948 |
| Profit/Loss before taxation | 549,847 |
| Provision for taxation | 172,155 |
| Proposed Dividend | 0 |
| No of shares | 3086130 |
| Investment | 8839359 |

Part "C": Joint Ventures - NA

**As per our report of even DateFor and on behalf of the Board
For NSVR & Associates LLP,,**
Chartered Accountants
Firm Reg No. :0088015/S200060

Sd/-
R.Srinivasu
Partner
Membership No.224033

Sd/-
Enjamuri Pardha Saradhi
Managing Director
DIN : 07531047

Sd/-
PRATHIPATI PARTHASARATHI
Director
DIN: 00004936

Place: Hyderabad
Date: 28.05.2019

ANNEXURE- D

Particulars of contracts / arrangements made with related parties
[Pursuant to Clause (h) of Sub-section (3) of Section 134 of the Companies Act, 2013, and Rule 8(2) of the Companies (Accounts) Rules, 2014 – AOC-2]

This Form pertains to the disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in Sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

Details of contracts or arrangements or transactions not at arm's length basis: There were no contracts or arrangements or transactions entered into during the year ended March 31, 2019, which were not at arm's length basis.

Details of material contracts or arrangement or transactions at arm's length basis:

The details of material contracts or arrangement or transactions at arm's length basis for the year ended March 31, 2019 are as follows:

| Name of The Related Party | Nature of Relationship | Nature of The Contract | Monetary Value Per Financial Year |
|---------------------------|------------------------|------------------------|-----------------------------------|
| | | | |
| | Associates | Interest Income | 122,147 |

Sd/-
Enjamuri Pardha Saradhi
Managing Director
DIN : 07531047

Place: Hyderabad
Date: 13th August, 2019

Form No. MGT-9
EXTRACT OF ANNUAL RETURN AS
ON THE FINANCIAL YEAR ENDED ON 31st MARCH 2019
[Pursuant to section 92 (3) of the Companies Act, 2013 and rule 12 (1) of the
Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

| | |
|--|--|
| CIN | L65991TG1992PLC065867 |
| Registration Date | 01/07/1992 |
| Name of the Company Category/Sub-Category of the Company Address of the Registered office and contact details | CITI PORT FINANCIAL SERVICES LIMITED Public Company/ Limited by Shares H No. 64&71(O), 255 & 256 (N) Flat No 5c, 5th Floor, Doyen Habitat, Srinagar Colony Hyderabad Telangana-500073 |
| Whether listed company | Yes |
| Name, Address and Contact details of Registrar and Transfer Agent, if any | M/s. Bigshare Services Private Limited, 306, right wing, 3 rd floor, Amrutha Ville, Opp: Yashodha Hospital, Somajiguda, Rajbhavan Road, Hyderabad-500082. |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

| Sr. No. | Name and Description of main products/ services | NIC Code of the product/ service | % to total turnover of the company |
|----------------|--|---|---|
| 1 | Financial Services | 661 | 100 |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| Sr. No. | Name And Address Of The Company | CIN/GLN | Holding/ Subsidiary /Associate | % of shares held | Applicable Section |
|----------------|--|-----------------------|---------------------------------------|-------------------------|---------------------------|
| 1. | Goldenvelly Holding Limited | U67120TG2007PTC052639 | Associate | 29.01 | 2 (6) |
| 2. | Citiport Credit Limited | U74899DL1995PLC065962 | subsidiary | 82.59 | 2(87) |

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

A. Category-wise Share Holding

| Category of Shareholders | No. of Shares held at the beginning of the year 01-04-2018 | | | | No. of Shares held at the end of the year 31-03-2019 | | | | % Change during The year |
|---|--|----------------|----------------|-------------------|--|----------------|----------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoter | | | | | | | | | |
| Indian | | | | | | | | | |
| Individual/ HUF | - | - | - | - | - | - | - | - | - |
| Central Govt | - | - | - | - | - | - | - | - | - |
| State Govt (s) | - | - | - | - | - | - | - | - | - |
| Bodies Corp | 899304 | 0 | 899304 | 29.01 | 899304 | 0 | 899304 | 29.01 | 0 |
| Banks / FI | - | - | - | - | - | - | - | - | - |
| Any Other | - | - | - | - | - | - | - | - | - |
| Sub-total(A)(1):- | 899304 | 0 | 899304 | 29.01 | 899304 | 0 | 899304 | 29.01 | 0 |
| Foreign | | | | | | | | | |
| NRIs-Individuals | - | - | - | - | - | - | - | - | - |
| Other-Individuals | - | - | - | - | - | - | - | - | - |
| Bodies Corp. | - | - | - | - | - | - | - | - | - |
| Banks / FI | - | - | - | - | - | - | - | - | - |
| Any Other.... | - | - | - | - | - | - | - | - | - |
| Sub-total(A)(2):- | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total promoters Shareholding (A)=(A)(1)+ (A)(2) | 899304 | 0 | 899304 | 29.01 | 899304 | 0 | 899304 | 29.01 | 0 |
| B. Public Shareholding | | | | | | | | | |
| Institutions | | | | | | | | | |
| Mutual Funds | - | - | - | - | - | - | - | - | - |
| Banks / FI | - | - | - | - | - | - | - | - | - |
| Central Govt | - | - | - | - | - | - | - | - | - |
| State Govt(s) | - | - | - | - | - | - | - | - | - |
| Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| Insurance Companies | - | - | - | - | - | - | - | - | - |
| FII's | - | - | - | - | - | - | - | - | - |
| Foreign Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| Others (specify) | - | - | - | - | - | - | - | - | - |
| Sub-total(B)(1) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2. Non Institutions | | | | | | | | | |
| Bodies Corp. | | | | | | | | | |
| (i) Indian | 645 | 611200 | 611845 | 19.74 | 645 | 550400 | 551045 | 17.78 | -1.96 |
| (ii) Overseas | | | | | | | | | |
| (i) Individual shareholders holding nominal share capital upto Rs. 2 lakh | 212744 | 291595 | 504339 | 16.27 | 217044 | 82995 | 300039 | 9.68 | -6.59 |
| (ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh | 106100 | 978400 | 1084500 | 34.98 | 106100 | 1243500 | 1349600 | 43.54 | +8.56 |
| Others (NRI) | 12 | 0 | 12 | 0.00 | 12 | 0 | 12 | 0.00 | 0 |
| Sub-total(B)(2) | 319501 | 1881195 | 2200696 | 70.99 | 323801 | 1876895 | 2200696 | 70.99 | 0 |
| Total Public Shareholding (B)=(B)(1)+ (B)(2) | 319501 | 1881195 | 2200696 | 70.99 | 323801 | 1876895 | 2200696 | 70.99 | 0 |
| C. Shares held by Custodian for GDRs & ADRs | | | | | | | | | |
| Grand Total (A+B+C) | 1218805 | 1881195 | 3100000 | 100 | 1223105 | 1876895 | 3100000 | 100 | 0 |

B. Shareholdings of Promoters:

| S N | Shareholder's Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % change in shareholding during the year |
|--------|--|--|--|--|--|--|--|---|
| | | No. of Shares | % of total Shares of the company | % of Shares Pledged / encum- bered to total shares | No. of Shares | % of total Shares of the company | % of Shares Pledged / encum- bered to total shares | |
| 1 | Goldenvelly Holdings Private Limited | 899304 | 29.01 | 0.00 | 899304 | 29.01 | 0.00 | 0.00 |

C. Change in Promoters' Shareholding (please specify, if there is no change)

| S N | Particulars | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|--------|---|--|--|--|--|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| | At the beginning of the year | 899304 | 29.01 | 899304 | 29.01 |
| | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.): | NO CHANGE MADE DURING THE YEAR | | | |
| | At the end of the year | 899304 | 29.01 | 899304 | 29.01 |

D. Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs):

| S.No | Name | Share Holding | | Date | Increase / Decrease in Shareholding | Reason | Cumulative Shareholding during the year (01.04.2018 to 31.03.2019) | |
|------|----------------------------------|---|----------------------------------|------------|-------------------------------------|------------------------------|--|----------------------------------|
| | | No. of Shares at the Beginning (01.04.18) / end of the year 31.03.19) | % of total Shares of the Company | | | | No. of Shares | % of total Shares of the Company |
| 1 | KATRAGADDA DEVI PRASAD | 0 | 0 | 01.04.2018 | | purchase during the year | | |
| | | 526300 | 16.98 | 31.03.2019 | 526300 | | 526300 | 16.98 |
| 2. | GINZA COMMUNICATION Pvt. Ltd., | 307600 | 9.92 | 01.04.2018 | | Nil Movement during the year | | |
| | | 307600 | 9.92 | 31.03.2019 | 0 | | 307600 | 9.92 |
| 3. | MITUL INVESTMENT PRIVATE LIMITED | 242200 | 7.81 | 01.04.2018 | | Nil Movement during the year | | |
| | | 242200 | 7.81 | 31.03.2019 | 0 | | 242200 | 7.81 |
| 4. | PRAKASH RAO | 100000 | 3.23 | 01.04.2018 | | purchase during the year | | |
| | | 161800 | 5.22 | 31.03.2019 | 61800 | | 161800 | 5.22 |
| 5. | Y. HANUMANTH RAO | 0 | 0 | 01.04.2018 | | purchase during the year | | |
| | | 152000 | 4.90 | 31.03.2019 | 152000 | | 152000 | 4.90 |
| 6. | N. MOHAN RAO | 0 | 0 | 01.04.2018 | | purchase during the year | | |
| | | 151200 | 4.88 | 31.03.2019 | 151200 | | 151200 | 4.88 |
| 7. | K.RAJASHEKAR | 50000 | 1.61 | 01.04.2018 | | purchase during the year | | |
| | | 141200 | 4.55 | 31.03.2019 | 91200 | | 141200 | 4.55 |
| 8. | MUSUNURU NAGA SWARNA | 106100 | 3.42 | 01.04.2018 | | purchase during the year | | |
| | | 136100 | 4.39 | 31.03.2019 | 30000 | | 136100 | 4.39 |
| 9. | RAMAKRISHNA B | 50000 | 1.61 | 01.04.2018 | | purchase during the year | | |
| | | 81000 | 2.61 | 31.03.2019 | 31000 | | 81000 | 2.61 |
| 10. | SHASHI BHUSHAN SHUGLA | 16000 | 0.51 | 01.04.2018 | | Nil Movement during the year | | |
| | | 16000 | 0.51 | 31.03.2019 | 0 | | 16000 | 0.51 |

E. Shareholding of Directors and Key Managerial Personnel:

| S.No | Name | Share Holding | | Date | Increase / Decrease in Shareholding | Reason | Cumulative Shareholding during the year (01.04.2018 to 31.03.2019) | |
|------|----------------------------------|---|----------------------------------|------------|-------------------------------------|--------|--|----------------------------------|
| | | No. of Shares at the Beginning (01.04.18) / end of the year 31.03.19) | % of total Shares of the Company | | | | No. of Shares | % of total Shares of the Company |
| | Partha sarathi Prattipati | 0 | 0 | | Nil | | 0 | 0 |
| | Ratan Kishan Musurnur | 250 | 0.00 | | Nil | | 250 | 0 |
| | Enjamuri Pardha Saradhi | 0 | 0 | NIL | Nil | | 0 | 0 |
| | Dhanushree Guddep | 250 | 0.00 | | Nil | | 250 | 0 |
| | Yetukuri Mallikarjunrao | 0 | 0 | | Nil | | 0 | 0 |

VI. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|----------------------------------|-----------------|----------|--------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | | | | |
| ii) Interest due but not paid | | | | |
| iii) Interest accrued but not due | | | | |
| Total (i + ii + iii) | | | | |
| Change in Indebtedness during the financial year | | | | |
| · Addition | | | | |
| · Reduction | | | | |
| Net Change | | | | |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | | | | |
| ii) Interest due but not paid | | | | |
| iii) Interest accrued but not due | | | | |
| Total (i + ii + iii) | | | | |

VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

| S.No | Particulars of Remuneration | Name of MD/WTD/ Manager | Total Amount |
|------|---|-------------------------|--------------|
| 1. | Gross Salary | Executive Director | |
| | (a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961 | - | - |
| | (b) Value of perquisites u/s 17(2) Income Tax Act, 1961 | - | - |
| | (c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961 | - | - |
| 2. | Stock Option | - | - |
| 3. | Sweat Equity | - | - |
| 4. | Commission · As a % of profit · Others, specify | - | - |
| 5. | Others please specify | - | - |
| | Total A | - | - |
| | Ceiling as per the Act | | |

B. Remuneration to other directors

| SN. | Particulars of Remuneration | Name of Directors | | | Total Amount |
|-----|--|-------------------|--|--|--------------|
| 1 | Independent Directors | | | | |
| | Fee for attending board committee meetings | | | | |
| | Commission | | | | |
| | Others, please specify | | | | |
| | Total (1) | | | | |
| 2 | Other Non-Executive Directors | | | | |
| | Fee for attending board committee meetings | | | | |
| | Commission | | | | |
| | Others, please specify | | | | |
| | Total (2) | | | | |
| | Total (B)=(1+2) | | | | |
| | Total Managerial Remuneration | | | | |
| | Overall Ceiling as per the Act | | | | |

C. Remuneration to key managerial personnel other than MD/Manager/WTD

| SN. | Particulars of Remuneration | Key Managerial Personnel | | | |
|-----|---|--------------------------|----|-----|-------|
| | | CEO | CS | CFO | Total |
| 1 | Gross salary | | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | | | | |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | | | | |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | | | | |
| 2 | Stock Option | | | | |
| 3 | Sweat Equity | | | | |
| 4 | Commission | | | | |
| | - as % of profit | | | | |
| | others, specify... | | | | |
| 5 | Others, please specify | | | | |
| | Total | | | | |

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

| Type | Section of the Companies Act | Brief Description | Details of Penalty / Punishment/ Compounding fees imposed | Authority [RD / NCLT/ COURT] | Appeal made, if any (give Details) |
|-------------------------------------|------------------------------|-------------------|---|------------------------------|------------------------------------|
| A. COMPANY | | | | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |
| B. DIRECTORS | | | | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |
| C. OTHER OFFICERS IN DEFAULT | | | | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |

**Information pursuant to Section 197 of the Act
Read with Rule 5(1) of the Companies (Appointment and Remuneration of
Managerial Personnel) Rules, 2014.**

i. The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary during the financial year 2018-19 and Ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year 2017-18:

| Name of the Director/ Key Managerial Personnel | Remuneration of Director KMP for the financial year 2018-19 | % increase in Remunera- tion in the financial year 2018-19 | Ratio of the remunera- tion to the median remuneration of the employees |
|--|---|--|--|
| --- | Nil | Nil | --- |

Note: The median remuneration of employees of the Company during the financial year was Rs. 98000/-

ii. In the financial year under review, there was a no increase of in the median remuneration of employees.

iii. The number of permanent employees on the rolls of company: 8

(iv) Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The average increase in the salaries of employees other than the managerial personnel in 2018-19 was 3.06. The Percentage increase in the managerial remuneration for the same financial year was NIL

(v) The company affirms that remuneration to the Directors and Key Managerial Personnel is as per the remuneration policy of the Company.

**Sd/-
Enjamuri Pardha Saradhi
Managing Director
DIN :- 07531047**

Place: Hyderabad
Date: 13th August, 2019

Independent Auditor's Report

To the Members of M/s Citiport Financial Services Limited

We have audited the accompanying Standalone financial statements of M/s Citiport Financial Services Limited ("the Holding Company"), which comprise the balance sheet as at 31st March 2019, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of Financial Statements by the Directors of Holding Company.

Auditor's Responsibility

Our responsibility is to express an opinion on these Standalone financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates

made by the Holding Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2019 and their loss and their cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the financial statements.
- (b) In our opinion proper books of account as required by law relating to preparation of financial statements have been kept by the Company so far as it appears from our examination of those books;
- (c) The balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of financial statements;
- (d) In our opinion, the aforesaid Standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March 2019 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditor of its subsidiary companies in India, none of the directors of group companies incorporated in India is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure"; and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Holding Company and its subsidiaries do not have any pending litigations which would impact its financial position.

- ii) The Holding Company and its subsidiaries did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiaries incorporated in India.

For NSVR & ASSOCIATES LLP

Chartered Accountants
FRN :008801S/S200060

Sd/-

R.Srinivasu

Partner

M.No. 224033

Place : Hyderabad

Date : 28.05.2019

Annexure to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the Standalone financial statements of the Company as of and for the year ended 31st March 2019, we have audited the internal financial controls over financial reporting of M/s Citiport Financial Services Limited ("the Holding Company") and its subsidiary companies in India as of 31st March 2019 as of date.

Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of the Holding Company and its subsidiary companies in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its subsidiary companies in India have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For NSVR & ASSOCIATES LLP

Chartered Accountants

FRN :008801S/S200060

Sd/-

R.Srinivasu

Partner

M.No. 224033

Place : Hyderabad

Date : 28.05.2019

Standalone Balance Sheet as at 31.03.2019

(Amount in INR)

| Particulars | Note No. | As At 31.03.2019 | As At 31.03.2018 |
|--|----------|---------------------|---------------------|
| A Equity and Liabilities: | | | |
| Shareholders funds | | | |
| (a) God Account | | 22 | 22 |
| (b) Share Capital | 1 | 31,000,000 | 31,000,000 |
| (c) Reserves and Surplus | 2 | (912,473) | (935,068) |
| (d) Money Received against Share Warrants | | | |
| Share application money pending allotment | 3 | - | - |
| Minority Interest | | | |
| Non-current liabilities | | | |
| (a) Long-term borrowings | 4 | - | - |
| (b) Deferred tax liabilities (Net) | | | |
| (c) Other Long term liabilities | 5 | - | - |
| (d) Long-term provisions | 6 | - | - |
| Current Liabilities | | | |
| (a) Short-term borrowings | 7 | - | - |
| (b) Trade payables | 8 | - | - |
| (c) Other current liabilities | 9 | 645,688 | 617,088 |
| (d) Short-term provisions | 10 | 536,052 | 477,689 |
| TOTAL | | 31,269,289 | 31,159,731 |
| B Assets: | | | |
| Non-current assets | | | |
| (a) Fixed assets | | | |
| (i) Tangible assets | 11 | 17,582 | 17,582 |
| (ii) Intangible assets | | | |
| (iii) Capital work - in - progress | | | |
| (iv) Intangible assets under development | | | |
| (b) Non-current Investments | 12 | 9,745,000 | 9,745,000 |
| (c) Deferred tax assets (net) | 29 | 3,390 | 3,630 |
| (d) Long- term loans and advances | 13 | 243,927 | 361,694 |
| (e) Other non-current assets | 14 | 23,000 | 23,000 |
| Current assets | | | |
| (a) Current Investments | | | |
| (b) Inventories | 15 | - | - |
| (c) Trade Receivable | 16 | - | - |
| (d) Cash and Bank balances | 17 | 74,947 | 146,404 |
| (e) Short -term loans and advances | 18 | 21,161,443 | 20,862,421 |
| (f) Other current assets | 19 | - | - |
| TOTAL | | 31,269,289 | 31,159,731 |
| Accounting Policies & Other relevant Notes | 27 to 41 | | |

Previous Year Figures have been regrouped/ reclassified/ rearranged wherever necessary.

As per the report of even date attached

For NSVR & Associates LLP

Chartered Accountants

Firm Regn. No.008801S/S200060

Sd/-

R.Srinivasu

Partner

Membership No.224033

Place: Hyderabad

Date: 28.05.2019

For and On behalf of the Board

Citiport Financial services limited

Sd/-

PRATHIPATI PARTHASARATHI

Director

DIN: 00004936

Sd/-

RAMACHANDER RAO DESHARAJU

Company secretary

Standalone Statement of Profit and Loss for the year ended 31.03.2019

| S. No. | Particulars | Note No. | For the Year ended 31.03.2019 | For the Year ended 31.03.2018 |
|----------|--|----------|-------------------------------|-------------------------------|
| A | Continuing Operations: | | | |
| 1 | Revenue from operations | 20 | 1,775,186 | 1,720,341 |
| | Less: Excise Duty | | - | - |
| | Revenue from operations (net) | | 1,775,186 | 1,720,341 |
| 2 | Other income | 21 | - | 5,565 |
| 3 | Total Revenue (1 + 2) | | 1,775,186 | 1,725,906 |
| 4 | Expenses: | | | |
| | Cost of materials consumed | | | |
| | Purchases of Stock in Trade | 22 | - | - |
| | "Changes in inventories of finished goods, work-in-progress and Stock-in-Trade | 23 | - | - |
| | Employee Benefit Exepense | 24 | 752,560 | 871,090 |
| | Other Expenses | 25 | 971,745 | 856,892 |
| | Total | | 1,724,305 | 1,727,982 |
| 5 | Earnings before exceptional and extra ordinary items, interest, tax, depreciation and amortisation (EBITDA) (3 - 4) | | 50,881 | (2,076) |
| 6 | Finance Costs | 26 | 22,049 | 77,067 |
| 7 | Depreciation and amortisation expense | 11 | - | 2,784 |
| 8 | Profit / (Loss) before exceptional and extraordinary items and tax (5 - 6 - 7) | | 28,832 | (81,928) |
| 9 | Exceptional Items | | - | - |
| 10 | Profit / (Loss) before extraordinary items and tax (8 - 9) | | 28,832 | (81,928) |
| 11 | Extraordinary items | | - | - |
| 12 | Profit / (Loss) before tax (10 - 11) | | 28,832 | (81,928) |
| 13 | Tax Expense: | | | |
| | - Income Tax | | 5,997 | - |
| | Current Period | | 5,997 | - |
| | Prior Period | | - | - |
| | - Deferred Tax | | 240 | 210 |
| 14 | Profit / (Loss) for the period from continuing operations (12 - 13) | | 22,595 | (82,138) |
| B | Discontinuing Operations | | | |
| 15 | Profit/(loss) from discontinuing operations | | - | - |
| 16 | Tax expense of discontinuing operations | | - | - |
| 17 | Profit/(Loss) from Discontinuing operations (after tax) (15 - 16) | | - | - |
| C | Total Operations | | - | - |
| 18 | Profit / (Loss) for the year Before Minority Interest (14 + 17) | | 22,595 | (82,138) |
| 19 | Minority Interest | | - | - |
| 20 | Profit after Minority Interest | | 22,595 | (82,138) |
| 21 | Earnings per equity share: | | | |
| | - Basic | | 0.01 | (0.03) |
| | - Diluted | | 0.01 | (0.03) |
| | Accounting Policies & Other relevant Notes | 27 to 41 | | |

Previous Year Figures have been regrouped/ reclassified/ rearranged wherever necessary.

As per the report of even date attached

For NSVR & Associates LLP

Chartered Accountants

Firm Regn. No.008801S/S200060

Sd/-

R.Srinivasu

Partner

Membership No.224033

Place: Hyderabad

Date: 28.05.2019

For and On behalf of the Board

Citiport Financial services limited

Sd/-

PRATHIPATI PARTHASARATHI

Director

DIN: 00004936

Sd/-

Enjamuri Pardha Saradhi

Managing Director

DIN : 07531047

Sd/-

RAJA SEKHAR KATTA

Chief Financial Officer

Sd/-

RAMACHANDER RAO DESHARAJU

Company secretary

Citiport Financial Services Limited

H No 64 & 71(O), 255 & 256(N), Flat No 5C, Doyen Habitat, Srinagar Colony, Hyderabad-500073

CIN : L65991TG1992PLC065867

Standalone Cash Flow Statement for the year ended 31.03.2019

| Particulars | For the Year ended 31.03.2019 (Consolidated) | For the Year ended 31.03.2018 (Consolidated) |
|--|--|--|
| A. Cash flow from Operating activities | | |
| Net Profit before tax as per Profit and loss account | 28,832 | (81,928) |
| Adjustments | | |
| (Profit) / Loss on sale of fixed assets (net) | - | - |
| (Profit) / Loss on sale of investments (net) | - | - |
| Investments Written Off | - | - |
| Depreciation and Amortisation Expense | - | 2,784 |
| Preliminary Expenditure Written Off | - | - |
| Interest Income | - | - |
| Dividend income | - | - |
| Effect of Exchange Rate change | - | - |
| Finance Costs | 22,049 | 77,067 |
| | 50,881 | (2,076) |
| (Increase)/Decrease in Trade and Other Receivables | - | - |
| Increase/(Decrease) in Trade Payables | - | - |
| (Increase)/Decrease in Inventories | - | - |
| Changes in Short Term Loans & Advances | (299,022) | (195,813) |
| Changes in Other Current Assets | - | - |
| (Increase)/Decrease in Fixed Deposits having original maturity over 3 months | - | - |
| | 80,966 | 257,410 |
| Increase/(Decrease) in Other Current Liab. /Short Term Prov. | - | - |
| Increase/(Decrease) in Other Long Term Liab. / Long Term Prov. | - | - |
| Cash generated from Operations | (167,175) | 59,521 |
| Direct Taxes paid | | |
| Net Cash from Operating activities | (167,175) | 59,521 |
| B. Cash flow from Investing Activities | | |
| (Purchase) / Sale of Fixed Assets (Net) | - | - |
| Capital Work-in-progress | - | - |
| (Purchase) / Sale of Investments (Net) | - | - |
| Changes in Long Term Loans & Advances | 117,767 | (49,631) |
| | - | (23,000) |
| Changes in Other Non current Assets | - | - |
| Interest Income | - | - |
| Dividend income | - | - |
| | 117,767 | (72,631) |
| Cash flow before exceptional items | 117,767 | (72,631) |
| Exceptional Items | - | - |
| Net Cash from Investment Activities | 117,767 | (72,631) |
| C. Cash Flow from Financing Activities | | |
| Proceeds from issue of Share Capital/ Share Application Money | - | - |
| Proceeds / (Repayment) from Borrowings | - | - |
| Finance Costs | (22,049) | (77,067) |
| Dividends Paid | - | - |
| Dividend tax paid | - | - |
| Effect of Exchange Rate change | - | - |
| Net cash used in financing activities | (22,049) | (77,067) |
| Net (Decrease) / Increase in cash and cash equivalents | (71,457) | (90,178) |

| | | |
|---|----------------|----------------|
| Cash and cash equivalents at the beginning of the year | 146,404 | 236,582 |
| Cash and Cash equivalents at the end of the year | 74,947 | 146,404 |
| Short Term Bank Deposits | - | - |
| Cash and Bank Balances at the end of the year | 74,947 | 146,404 |

1. The above Cash Flow Statement has been prepared under the Indirect Method as set out in Accounting Standard 3 on Cash Flow Statements notified under section 133 of the Companies Act, 2013.
2. Previous Year Figures have been regrouped/ reclassified/ rearranged wherever necessary.

As per the report of even date attached
For NSVR & Associates LLP
Chartered Accountants
Firm Regn. No.008801S/S200060

For and On behalf of the Board
Citiport Financial services limited

Sd/-
R.Srinivasu
Partner
Membership No.224033

Sd/-
Enjamuri Pardha Saradhi
Managing Director
DIN : 07531047

Sd/-
PRATHIPATI PARTHASARATHI
Director
DIN: 00004936

Place: Hyderabad
Date: 28.05.2019

Sd/-
RAJA SEKHAR KATTA
Chief Financial Officer

Sd/-
RAMACHANDER RAO DESHARAJU
Company secretary

Citiport Financial Services Limited

H No 64 & 71(O), 255 & 256(N), Flat No 5C, Doyen Habitat, Srinagar Colony, Hyderabad-500073

CIN : L65991TG1992PLC065867

Notes forming part of Standalone Financial Statements As At 31.03.2019

Note No. 1 : Share Capital

| S.No. | Particulars | As At 31.03.2019 | | As At 31.03.2018 | |
|-------|--|------------------|-------------------|------------------|-------------------|
| | | Number | Amount | Number | Amount |
| 1 | Authorised Equity Shares of Rs. 10/- each with Voting Rights | 3,200,000 | 32,000,000 | 3,200,000 | 32,000,000 |
| 1 | Issued, Subscribed and Paid up Equity Shares of Rs. 10/- each fully paid up with Voting Rights | 3,100,000 | 31,000,000 | 3,100,000 | 31,000,000 |
| | Total | 3,100,000 | 31,000,000 | 3,100,000 | 31,000,000 |

(a) Reconciliation of the number of shares outstanding as at 31.03.2018 and 31.03.2019

| S.No. | Particulars | As At 31.03.2019 | | As At 31.03.2018 | |
|-------|--|------------------|------------|------------------|------------|
| | | Number | Amount | Number | Amount |
| 1 | Equity Shares outstanding at the beginning of the year | 3,100,000 | 31,000,000 | 3,100,000 | 31,000,000 |
| 2 | Equity Shares Issued during the year | - | - | - | - |
| 3 | Equity Shares bought back during the year | - | - | - | - |
| 4 | Equity Shares outstanding at the end of the year | 3,100,000 | 31,000,000 | 3,100,000 | 31,000,000 |

(b) Rights, preferences and restrictions attached to shares:

The company has one class of equity shares having a par value of Rs.10/- each. Each shareholder is eligible for one vote per share held. The dividend proposed by the board of directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in the case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

(b) Details of Shareholders holding more than 5 percent shares:

| S.No. | Particulars | As At 31.03.2019 | | As At 31.03.2018 | |
|-------|---|--------------------|--------------|--------------------|--------------|
| | | No. of Shares Held | % of Holding | No. of Shares Held | % of Holding |
| 1 | <u>Equity Shares with Voting Rights</u> Golden Valley Holdings Private Limited | 899,304 | 29.01% | 899,304 | 29.01% |
| 2 | Ginza Communication Private Limited | 307,600 | 9.92% | 307,600 | 9.92% |
| 3 | Mithul Investment Private Limited | 242,200 | 7.81% | 242,200 | 7.81% |

(c) Aggregate number and class of shares allotted as fully paid up for consideration other than cash, bonus shares and shares bought back for the period of 5 years immediately preceding the Balance Sheet date

| S.No. | Particulars | No. of shares | |
|-------|-------------|------------------|------------------|
| | | As At 31.03.2019 | As At 31.03.2018 |
| | | Nil | Nil |

Citiport Financial Services Limited

H No 64 & 71(O), 255 & 256(N), Flat No 5C, Doyen Habitat, Srinagar Colony, Hyderabad-500073

CIN : L65991TG1992PLC065867

Notes forming part of Standalone Financial Statements As At 31.03.2019

| Note No. | Particulars | As At 31.03.2019 Rs. | As At 31.03.2018 Rs. |
|----------|---|-------------------------|-------------------------|
| 2 | Note: Reserves & Surplus | | |
| | General Reserve | | |
| | As per last Balance Sheet | 18,913 | 18,913 |
| | Add: Transferred from Profit & Loss A/c | - | - |
| | Closing Balance | 18,913 | 18,913 |
| | Statutory Reserve Fund * | | |
| | Opening Balance | 943,935 | 943,935 |
| | (+) Addition during the year | - | - |
| | Closing Balance | 943,935 | 943,935 |
| | * Statutory Reserve Fund Created as per Section 45-IC of Reserve Bank of India Act, 1934 | | |
| | Profit and Loss Account | | |
| | As per last Balance Sheet | (1,897,916) | (1,815,778) |
| | (+) Net Profit for the current year | 22,595 | - |
| | (+) Transfer from Reserves | - | - |
| | (-) Net Loss for the current year | - | 82,138 |
| | (-) Adjustment relating to Fixed Assets | - | - |
| | (-) Proposed Dividends | - | - |
| | (-) Interim Dividends | - | - |
| | (-) Transfer to Statutory Reserve | - | - |
| | Closing Balance | (1,875,321) | (1,897,916) |
| | Total | (912,473) | (935,068) |
| 3 | Note: Share Application money pending allotment | | |
| | Total Amount | - | - |

Citiport Financial Services Limited

H No 64 & 71(O), 255 & 256(N), Flat No 5C, Doyen Habitat, Srinagar Colony, Hyderabad-500073

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Notes forming part of Standalone Financial Statements As At 31.03.2019

| Note No. | Particulars | As At 31.03.2019 Rs. | As At 31.03.2018 Rs. |
|-----------------|---|---------------------------------|---------------------------------|
| 4 | Note: Long Term Borrowings | | |
| | Secured | | |
| | Term Loans from Banks | - | - |
| | Vehicle Loans from Banks | - | - |
| | Unsecured | - | - |
| | From Directors | - | - |
| | | | |
| 5 | Note: Other Longterm Liabilities | | |
| | Other Liabilites | - | - |
| | | - | - |
| 6 | Note: Long Term Provisions | | |
| | Provisions - Others | - | - |
| | | - | - |
| 7 | Note: Short Term Borrowings | | |
| | Secured | | |
| | Loans repayable on demand from Banks | - | - |
| | Loans repayable on demand from Others | - | - |
| | Unsecured | | |
| | Loans from Related Parties | - | - |
| | Other Loans and Advances | - | - |
| | | - | - |

Citiport Financial Services Limited

H No 64 & 71(O), 255 & 256(N), Flat No 5C, Doyen Habitat, Srinagar Colony, Hyderabad-500073

CIN : L65991TG1992PLC065867

Notes forming part of Standalone Financial Statements As At 31.03.2019

| Note No. | Particulars | As At 31.03.2019 | As At 31.03.2018 |
|-----------|--|---------------------|---------------------|
| 8 | Note: Trade Payables | | |
| | Dues to Micro, Small and Medium Enterprises * | - | - |
| | Dues to Others - | - | - |
| | * The details of amounts outstanding to Micro, Small and Medium Enterprises based on available information with the company is as under: | | |
| | Principal amount due and remaining unpaid | - | - |
| | Interest due on above and the unpaid interest | - | - |
| | Interest paid | - | - |
| | Payment made beyond the appointed day during the year | - | - |
| | Interest due and payable for the period of delay | - | - |
| | Interest accrued and remaining unpaid | - | - |
| | Amount of further interest remaining due and payable in succeeding years | - | - |
| | The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the company. This has been relied upon by the auditors. | | |
| 9 | Note: Other Current Liabilities | | |
| | <u>Current Maturities of Long Term Debt (Secured)</u> | | |
| | Termloans from Banks | - | - |
| | Interest Accrued & Due on Borrowings | - | - |
| | Advances received from Customers | - | - |
| | Other Payables* | 645,688 | 617,088 |
| | | 645,688 | 617,088 |
| | * Other Payables include | | |
| | Expenses Payable | 635,188 | 606,588 |
| | Statutory Liabilities | 10,500 | 10,500 |
| 10 | Note: Short Term Provisions | | |
| | Provisions for Employee Benefits | 32,000 | - |
| | Provisions - Others: | | |
| | Provision for Taxes | 83,744 | 77,747 |
| | Contingency Provision Against Standard Assets * | 420,308 | 399,942 |
| | | 536,052 | 477,689 |

Citiport Financial Services Limited

H No 64 & 71(O), 255 & 256(N), Flat No 5C, Doyen Habitat, Srinagar Colony, Hyderabad-500073

CIN : L65991TG1992PLC065867

Notes forming part of Sandalone Financial Statements As At 31.03.2019

Note No. 11 : Fixed Assets

(INR)

| S. No. | Particulars | GROSS BLOCK | | | | | | | | | | Balance As At 31.03.2018 |
|----------|------------------------------|--------------------------|-----------|-----------|--|-------------------------------|----------------------|--|----------------------------|------------|----------------|--------------------------|
| | | Balance As At 01.04.2018 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | |
| | | | Additions | Disposals | Acquisitions through business combinations | Reclassified as held for sale | Revaluation increase | Effect of foreign exchange differences | Borrowing cost capitalised | Other Adj. | | |
| A | Tangible assets : | | | | | | | | | | | |
| (a) | Computers & Software Owned | 188,130 | - | - | - | - | - | - | - | - | 188,130 | |
| | Taken under finance lease | | - | - | - | - | - | - | - | - | - | |
| | Given under operating lease | | - | - | - | - | - | - | - | - | - | |
| (b) | Furniture and Fixtures Owned | 277,269 | - | - | - | - | - | - | - | - | 277,269 | |
| | Taken under finance lease | | - | - | - | - | - | - | - | - | - | |
| | Given under operating lease | | - | - | - | - | - | - | - | - | - | |
| (c) | Plant & Machinery Owned | 29,800 | - | - | - | - | - | - | - | - | 29,800 | |
| | Taken under finance lease | | - | - | - | - | - | - | - | - | - | |
| | Given under operating lease | | - | - | - | - | - | - | - | - | - | |
| | Total (A) | 495,199 | - | - | - | - | - | - | - | - | 495,199 | |
| | Previous Year | 495,199 | - | - | - | - | - | - | - | - | 495,19 | |
| B | Intangible assets | | | | | | | | | | | |
| | Total (B) | | | | | | | | | | | |
| | Previous Year | | | | | | | | | | | |
| | Grand Total (A + B) | 495,199 | - | - | - | - | - | - | - | - | 495,199 | |

| Accumulated depreciation and impairment | | | | | | | | | | | | |
|--|---------------------------------|--------------------------|----|--|----------------------------------|---|--|--|-------------------|--------------------------|--------------------------|--------------------------|
| S. No. | Particulars | Balance As At 01.04.2017 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18=sum (11:17) | 19= (10-18) | Balance As At 31.03.2018 |
| | | | | Depreciation / amortisation expense for the year | Eliminated on disposal of assets | Eliminated on reclassification for sale | Impairment losses recognised in statement of profit and loss | Reversal of impairment losses recognised in Statement of Profit and Loss | Other adjustments | Balance As At 31.03.2019 | Balance As At 31.03.2019 | Balance As At 31.03.2018 |
| A | Tangible assets : | | | | | | | | | | | |
| (a) | Computers & Software | | | | | | | | | | | |
| | Owned | 188,630 | | - | - | - | - | - | - | 181,630 | 6,500 | 6,500 |
| | Taken under finance lease | - | | - | - | - | - | - | - | - | - | - |
| | Given under operating lease | - | | - | - | - | - | - | - | - | - | - |
| (b) | Furniture and Fixtures | | | | | | | | | | | |
| | Owned | 267,677 | | - | - | - | - | - | - | 267,677 | 9,592 | 9,592 |
| | Taken under finance lease | - | | - | - | - | - | - | - | - | - | - |
| | Given under operating lease | - | | - | - | - | - | - | - | - | - | - |
| (c) | Plant & Machinery | | | | | | | | | | | |
| | Owned | 28,310 | | - | - | - | - | - | - | 28,310 | 1,490 | 1,490 |
| | Taken under finance lease | - | | - | - | - | - | - | - | - | - | - |
| | Given under operating lease | - | | - | - | - | - | - | - | - | - | - |
| | Total (A) | 477,617 | | | | | | | | 477,617 | 17,582 | 17,582 |
| | Previous Year | 495,199 | | | | | | | | 477,617 | 17,582 | 17,582 |
| B | Intangible assets | | | | | | | | | | | |
| | Total (B) | | | | | | | | | | | |
| | Previous Year | | | | | | | | | | | |
| C | Capital Work in Progress | | | | | | | | | | | |
| | Grand Total (A + B + C) | 477,617 | | | | | | | | 477,617 | 17,582 | 17,582 |

Citiport Financial Services Limited

H No 64 & 71(O), 255 & 256(N), Flat No 5C, Doyen Habitat, Srinagar Colony, Hyderabad-500073

CIN : L65991TG1992PLC065867

Notes forming part of Standalone Financial Statements As At 31.03.2019

(Amount in INR)

| Note No. | Particulars | No. of Shares | As At 31.03.2019 | No. of Shares | As At 31.03.2018 |
|----------|--|----------------|------------------|----------------|------------------|
| 12 | Note: Non Current Investments | | | | |
| | In Equity Shares (Quoted - fully paid up) | - | - | - | - |
| | Total (A) | - | - | - | - |
| | In Equity Shares (Unquoted - fully paid up) | | | | - |
| | Citiport Credit Limited | 974,500 | 9,745,000 | 974,500 | 9,745,00 |
| | Total (B) | 974,500 | 9,745,000 | 974,500 | 9,745,000 |
| | Grand Total (A + B) | 974,500 | 9,745,000 | 974,500 | 9,745,000 |

Notes forming part of Standalone Financial Statements As At 31.03.2019
(INR)

| Note No. | Particulars | As At 31.03.2019 | As At 31.03.2018 |
|-----------|---|---------------------|---------------------|
| 13 | Note: Long Term Loans & Advances | | |
| | (a) Capital Advances | | |
| | (b) Security Deposits | - | |
| | (c) Loans & Advances to related parties | - | |
| | (d) Loans & Advances to Employees | - | |
| | (e) Prepaid Expenses | - | |
| | (f) Advance Income Tax | - | |
| | (g) MAT Credit Entitlement | - | |
| | (h) Balances with Government Authorities | - | |
| | TDS Receivable | 243,927 | 361,694 |
| | (i) Other Loans & Advances | - | |
| | Secured, considered good | - | |
| | Unsecured, considered good | - | - |
| | Doubtful | | |
| | | 243,927 | 361,694 |
| | Less: Provision for other doubtful loans & advances | | |
| | | 243,927 | 361,694 |
| | Note : Long Term Loans & Advances include amounts due from | | |
| | Directors | - | - |
| | Other Officers of company | - | - |
| | Firms in which any director is a partner | - | - |
| | Private companies in which any director is a director or member | - | - |
| 14 | Note: Other Non-Current Assets | | |
| | (a) Long-term trade receivables | - | - |
| | (b) Unamortised expenses * (to the extent not written off or not adj.) | | - |
| | (i) Ancillary borrowing costs | - | - |
| | (ii) Share issue expenses | - | - |
| | (iii) Discount on shares | - | - |
| | (iv) Other Expenses | - | - |
| | Preliminary Expenditure | - | |
| | (c) Accruals | | - |
| | (d) Other Non-current Assets | | |
| | Rent Deposit | 23,000 | 23,000 |
| | Telephone Deposit | - | - |
| | Other Deposits | - | - |
| | | 23,000 | 23,000 |

Notes forming part of Standalone Financial Statements As At 31.03.2019

(INR)

| Note No. | Particulars | As At 31.03.2019 | As At 31.03.2018 |
|-----------|---|---------------------|---------------------|
| 15 | Note: Inventories: | | |
| | (a) Raw materials | - | - |
| | Goods-in-transit | - | - |
| | (b) Work-in-progress | - | - |
| | Goods-in-transit | - | - |
| | (c) Finished goods (other than those acquired for trading) | - | - |
| | Goods-in-transit | - | - |
| | (d) Stock-in-trade (acquired for trading) | - | - |
| | Goods-in-transit | - | - |
| | (e) Stores and spares | - | - |
| | Goods-in-transit | - | - |
| | (f) Loose tools | - | - |
| | Goods-in-transit | - | - |
| | (g) Others (Specify nature) | - | - |
| | Goods-in-transit | - | - |
| 16 | Note: Trade Receivables | | |
| | Trade receivables outstanding for a period exceeding six months from the date they were due for payment | | |
| | Secured, considered good | - | - |
| | Unsecured, considered good | - | - |
| | Doubtful | - | - |
| | Trade receivables outstanding for a period less than six months from the date they were due for payment | | |
| | Secured, considered good | - | - |
| | Unsecured, considered good | - | - |
| | Doubtful | - | - |
| | Less : Provision for doubtful trade receivables | - | - |
| | * Trade receivables include debts due from: | | |
| | Directors | - | - |
| | Other officers of the Company | - | - |
| | Firms in which any director is a partner (give details per firm) | - | - |
| | Private companies in which any director is a director or member (give details per company) | - | - |

Notes forming part of Standalone Financial Statements As At 31.03.2019
(INR)

| Note No. | Particulars | As At 31.03.2019 | As At 31.03.2018 |
|-----------|---|---------------------|---------------------|
| 17 | Note: Cash and Bank balances | | |
| | (a) Cash and Cash Equivalents | - | |
| | (i) Balances with banks; | - | |
| | In Deposit Accounts | - | |
| | In Current Accounts | 30,682 | 132,258 |
| | (ii) Cheques, drafts on hand | - | |
| | (iii) Cash on hand | 44,265 | 14,146 |
| | (b) Other Bank balances | - | |
| | In Deposit Accounts | - | |
| | | 74,947 | 146,404 |
| 18 | Note: Short Term Loans & Advances | | |
| | (a) Loans & Advances to related parties | | |
| | Secured, considered good | - | - |
| | Unsecured, considered good | | |
| | Trinox Infrastructure and Developers Private Ltd | - | 1,447,322 |
| | Doubtful | - | 1,447,322 |
| | Less: Provision for doubtful loans & advances | - | 1,447,322 |
| | (b) Security Deposits | - | - |
| | (c) Loans & Advances to Employees | - | 320,000 |
| | (d) Prepaid Expenses | 4,544 | 4,544 |
| | (e) Balances with Government Authorities | | |
| | TDS Receivable | 172,116 | 172,040 |
| | (f) Inter-Corporate Deposits | | - |
| | (g) Others | | |
| | Secured, considered good | | - |
| | Unsecured, considered good | | |
| | Ginza Communications Pvt Ltd | 14,357,582 | 14,862,442 |
| | Kite College of Professional Engineering Sciences | - | 392,232 |
| | Manchineni Jyothi | 2,530,904 | |
| | Phat Phish Films (P) Ltd | 4,096,297 | 3,663,841 |
| | (j) Doubtful | | |
| | | 21,161,443 | 20,862,421 |
| | Less: Provision for other doubtful loans & advances | | |
| | | 21,161,443 | 20,862,421 |
| | Note: Short Term Loans & Advances include amounts due from | | |
| | Directors | - | - |
| | Other Officers of company | - | - |
| | Firms in which any director is a partner | - | - |
| | Private companies in which any director is a director or member | - | 1,447,322 |

19 Note: Other Current Assets

| | | |
|--------------------------|--|---|
| (a) Unbilled revenue | | - |
| (b) Unamortised expenses | | - |
| (c) Accruals | | - |
| (d) Other Current Assets | | - |
| | | - |
| | | - |

| Note No. | Particulars | For the Year ended 31.03.2019 | For the Year 31.03.2018 |
|-----------|--|----------------------------------|----------------------------|
| 20 | Note: Revenue from Operations | | |
| | Interest | 1,775,186 | 1,720,341 |
| | Other financial Services | | - |
| | | 1,775,186 | 1,720,341 |
| | | 1,775,186 | 1,720,341 |
| 21 | Note: Other Income | | |
| | Other Income | 5,565 | |
| | | - | 5,565 |
| | | - | 5,565 |
| 22 | Note: Purchases | | |
| | Purchases | - | - |
| | | - | - |
| | | - | - |
| 23 | Note: Changes in inventories of finished goods, work-in-progress and stock-in-trade | | |
| | <u>Inventories at the end of the year:</u> | | |
| | Finished goods (acquired for trading) | - | - |
| | Work-in-progress | - | - |
| | Stock-in-trade | - | - |
| | | - | - |
| | | - | - |
| | <u>Inventories at the beginning of the year:</u> | | |
| | Finished goods (acquired for trading) | - | - |
| | Work-in-progress | - | - |
| | Stock-in-trade | - | - |
| | | - | - |
| | | - | - |
| | Net increase / (decrease) | - | - |
| 24 | Note: Employee Benefit Expenses | | |
| | Salaries and wages | 735,000 | 852,000 |
| | Directors Remuneration | | - |
| | Contribution to provident and other funds | | - |
| | Staff welfare expenses | 17,560 | 19,090 |
| | | 752,560 | 871,090 |
| | | 752,560 | 871,090 |

Notes forming part of Standalone Financial Statements As At 31.03.2019

(INR)

| Note No. | Particulars | For the Year ended 31.03.2019 | For the Year 31.03.2018 |
|-----------|---------------------------------|----------------------------------|----------------------------|
| 25 | Note: Other Expenses | | |
| | Advertisement Expenses | 27,741 | 28,548 |
| | Audit Fee | 70,800 | 72,600 |
| | AGM Expences | 59,800 | |
| | Consultancy Charges | 5,000 | 247,050 |
| | Conveyence Expenses | 18,420 | 17,800 |
| | Credit rating Agency Charges | 17,770 | |
| | DeMat & RTA Expenses | 88,240 | 49,450 |
| | Fees & Taxes | 298,540 | 293,500 |
| | Internet / Cable Charges | 13,634 | 12,964 |
| | Office Maintenance | 24,000 | 61,680 |
| | Postage & Courier | - | 9,500 |
| | Professional / Legal Fees | 251,800 | - |
| | Rent | 96,000 | 63,800 |
| | | 971,745 | 856,892 |
| 26 | Note: Finance Costs | | |
| | Interest Expense | - | |
| | Interest | - | - |
| | Interest on Others * | 969 | 523 |
| | Other Finance Expenses | - | |
| | Bank Charges 714 | 712 | |
| | Provision for Standard Assets * | 20,366 | 75,832 |
| | | 22,049 | 77,067 |

* Interest on Others include Interest on TDS Payable & Interest on Income Tax

NOTE 27: SIGNIFICANT ACCOUNTING POLICIES**Background**

M/s Citiport Financial Services Limited is registered as a Non-Banking Financial Company ('NBFC') as defined under section 45-IA of the Reserve Bank of India Act, 1934. The Company is broadly engaged in lending business.

1. Basis of accounting

The Financial Statements are prepared under historical cost convention on the basis of going concern and as per Accounting Standards notified under Section 133 of the Companies Act, 2013. The Company follows the Accrual system of Accounting and Prudential Norms prescribed by Reserve Bank of India consistently from year to year.

2. Use of estimates

The preparation of standalone financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting periods. Although these estimates are based upon management's knowledge of current events and actions, actual results could differ from those estimates and revisions, if any, are recognized in the current and future periods.

3. Intangible assets and amortization

Softwares which are not integral part of the hardware are classified as intangibles and is stated at cost less accumulated amortization. Softwares are being amortized over the estimated useful life of 5 years.

4. Fixed assets and depreciation / amortization

Fixed Assets (Gross Block) are stated at historical cost less accumulated depreciation. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Building/specific identifiable portion of Building, including related equipments are capitalized when the construction is substantially complete or upon receipt of the occupancy certificate, whichever is earlier. Depreciation on assets is provided on straight-line method at the rates and in the manner prescribed in schedule II to the Companies Act, 2013.

5. Investments

Current investments are stated at lower of cost and fair value. Long-term investments are stated at cost and provision for diminution in value, other than temporary, is considered wherever necessary. Profit / loss on sale of investments is computed with reference to the average cost of the investment.

6. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company the revenue can be reliably measured on mercantile basis.

7. Borrowing costs

Borrowing costs that are attributable to the acquisition and / or construction of qualifying assets are capitalized

as part of the cost of such assets, in accordance with Accounting Standard AS-16 - "Borrowing Costs". A qualifying asset is one that necessarily takes a substantial period to get ready for its intended use. Capitalisation of Borrowing Costs is suspended in the period during which the active development is delayed due to, other than temporary interruption. All other borrowing costs are charged to the profit & loss account as incurred.

8. Taxation

Provision for tax for the year comprises current income tax and deferred tax. Current income tax is determined in respect of taxable income with deferred tax being determined as the tax effect of timing differences representing the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period(s). Such deferred tax is quantified using rates and laws enacted or substantively enacted as at the end of the financial year.

9. Foreign currency transactions

Transactions in foreign currency and nonmonetary assets are accounted for at the exchange rate prevailing on the date of the transaction. All monetary items denominated in foreign currency are converted at the yearend exchange rate. As specified under Accounting Standard (AS-11) - Effects of Changes in Foreign Exchange Rates, the exchange gain/loss on transaction with regard to the Fixed Assets has been capitalized along with Fixed Assets. The other exchange gains related to current assets has been charged to the profit & loss account.

10. Employees benefits

Expenses and liabilities in respect of employee benefits are recorded in accordance with Revised Accounting Standard 15 - Employee Benefits (Revised 2005) issued by the Institute of Chartered Accountants of India (the "ICAI").

(i) Provident fund

The Company makes contribution to statutory provident fund in compliance with the Employees Provident Fund and Miscellaneous Provision Act, 1952. In terms of the Guidance on implementing the revised AS - 15, issued by the Accounting Standard Board of the ICAI, contribution made towards statutory provident fund is treated as a defined benefit plan. Accordingly, the contribution paid or payable and the interest shortfall, if any, is recognized as an expense in the period in which services are rendered by the employee.

(ii) Gratuity

Gratuity is a post employment benefit and is in the nature of a defined benefit plan. The liability recognized in the balance sheet in respect of gratuity is the present value of the defined benefit / obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognized actuarial gains or losses and past service costs. The defined benefit / obligation is provided at or near the balance sheet date by an independent actuary using the projected unit credit method. Actuarial gains and losses arising from past experience and changes in actuarial assumptions are credited or charged to the profit & loss account in the year in which such gains or losses are determined.

(iii) Compensated absences

Liability in respect of compensated absences becoming due or expected to be availed within one year from the balance sheet date is recognized on the basis of undiscounted value of estimated amount required to be paid or estimated value of benefit expected to be availed by the employees.

(iv) Other short-term benefits

Expense in respect of other short-term benefits is recognized on the basis of the amount paid or payable for the period during which services are rendered by the employee.

11. Leases

Assets subject to operating leases are included under fixed assets or current assets as appropriate. Rent (Lease) income is recognized in the profit & loss account on a straight-line basis over the lease term. Costs, including depreciation, are recognized as an expense in the profit & loss account.

12. Impairment of assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognized in the profit & loss account. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is re assessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost and is accordingly reversed in the profit & loss account.

13. Provisions, Contingent Liabilities & Contingent Assets:

Depending upon the facts of each case and after due evaluation of legal aspects, claims against the Company are accounted for as either provisions or disclosed as contingent liabilities. In respect of statutory dues disputed and contested by the Company, contingent liabilities are provided for and disclosed as per original demand without taking into account any interest or penalty that may accrue thereafter. The Company makes a provision when there is a present obligation as a result of a past event where the outflow of economic resources is probable and a reliable estimate of the amount of obligation can be made. Possible future or present obligations that may but will probably not require outflow of resources or where the same cannot be reliably estimated, is disclosed as contingent liability in the Financial Statements. Contingent Assets are neither recognized or nor disclosed in the financial statements.

14. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for events including a bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares). For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

Citiport Financial Services Limited

H No 64 & 71(O), 255 & 256(N), Flat No 5C, Doyen Habitat, Srinagar Colony, Hyderabad-500073

CIN : L65991TG1992PLC065867

Notes forming part of Standalone Financial Statements As At 31.03.2019

| Note No. | Particulars | FY 2018-19 | FY 2017-18 |
|-----------|---|---------------|---------------|
| 28 | Note: Auditors Remuneration | | |
| | Payments to Auditors comprises: | | |
| | As Auditors - Statutory Audit | 53,100 | 60,075 |
| | For taxation matters | 17,700 | 20,025 |
| | For company law matters | - | - |
| | For management services | - | - |
| | For other services | - | - |
| | Reimbursement of Expenses | - | - |
| | Total | 70,800 | 80,100 |
| 29 | Note: Deferred Tax Liability / (Asset) : | | |
| | On account of | | |
| | Depreciation and Amortisation | - | 210 |
| | Total | - | 210 |
| 30 | Note: Earnings Per Share | | |
| | The Calculation of Earnings Per Share (EPS) as disclosed in the Profit and Loss Account has been made in accordance with Accounting Standard (AS - 20) on Earnings Per Share issued by the Institute of Chartered Accountants of India. A statement on calculation of | | |
| | Basic and diluted EPS is as under: | | |
| | Profit after Tax (INR) | 22,595 | (82,138) |
| | Number of equity shares (in Nos) | 3,100,000 | 3,100,000 |
| | Earnings per share (INR) | 0.01 | (0.03) |
| | Face Value per Equity Share (INR) | 10.00 | 10.00 |
| 31 | Note: Tax Expense | | |
| | The Tax Expenses for the year comprises of; | | |
| | Income Tax | 5,997 | - |
| | Current Period | 5,997 | - |
| | Prior Period* | - | - |
| | Deferred Tax | 240 | 210 |
| | Provision for tax for the year comprises current income tax and deferred tax. Current income tax is determined in respect of taxable income with deferred tax being determined as the tax effect of timing differences representing the difference between taxable income and accounting income that originate in one period, and are capable of reversal in one or more subsequent period(s). Such deferred tax is quantified using rates and laws enacted or substantively enacted as at the end of the financial year. | | |

32 Note: Details of Leasing Arrangements

The company has entered into operating lease arrangements for its Regd. Office premises:

| | | |
|---|-----------|--------|
| Future minimum lease payments | | |
| not later than one year | 96,000.00 | 72,000 |
| later than one year and not later than five years | - | - |
| later than five years | - | - |

The future minimum lease rental obligation under non-cancellable operating leases in respect of these assets is on account of lock-in period and notice period in some of the lease agreements entered by the company for operating of showrooms:

| | | |
|------------------------------|---|---|
| On account of Lock-in Period | - | - |
| On account of Notice Period | - | - |

33 Note: Disclosures required under Section 22 of the Micro, Small and Medium

Enterprises Development Act, 2006

| | | |
|--|---|---|
| (i) Principal amount remaining unpaid to any supplier as at the end of the accounting year | - | - |
| (ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year | - | - |
| (iii) The amount of interest paid along with the amounts of the payment made to the supplier "beyond the appointed day" | - | - |
| (iv) The amount of interest due and payable for the year | - | - |
| (v) The amount of interest accrued and remaining unpaid at the end of the accounting year" | - | - |
| (vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid | - | - |

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

34 Note: Earnings in foreign currency Nil Nil

35 Note: Expenditure in foreign currency Nil Nil

Citiport Financial Services Limited

H No 64 & 71(O), 255 & 256(N), Flat No 5C, Doyen Habitat, Srinagar Colony, Hyderabad-500073

CIN : L65991TG1992PLC065867

Notes forming part of Standalone Financial Statements As At 31.03.2019

Note No. 36 : Related Party Disclosures

| S.No | Name of the Related Party | Nature of Relationship |
|------|--|--|
| 1 | Enjamuri Pardha Saradhi | Key Management Personnel |
| 2 | Prattipati Parthasarathi | Key Management Personnel |
| 3 | Ratan Kishan Musnuru | Key Management Personnel |
| 4 | Dhanushree Guddep | Key Management Personnel |
| 5 | Mallikarjunrao Yetukuri | Key Management Personnel |
| 6 | Rajasekhar Katta | Key Management Personnel |
| 7 | Golden Valley Holdings Private Limited | Enterprises own or significantly influenced by Key Management Personnel or their relatives |
| 8 | Green Fire Agri Commodities Limited | |
| 9 | Nakshatra Organics Private Limited | |
| 10 | DPK Agro Farms Private Limited | |
| 11 | Trinox Infrastructure and Developers Pvt Ltd | |

Transactions with Related Parties:

| S.No. | Nature of Transaction | FY 2018-19 | | | FY 2017-18 | | |
|-------|-----------------------------|------------|-----|---------|------------|-----|---------|
| | | Associates | KMP | Total | Associates | KMP | Total |
| 1 | Remuneration | - | - | - | - | - | - |
| 2 | Interest Income | 122,147 | - | 122,147 | 171,915 | - | 171,915 |
| 3 | Short Term Loans & Advances | - | - | - | - | - | - |

Balances with Related Parties As At 31.03.2019 :

| S.No. | Nature of Transaction | FY 2018-19 | | | FY 2017-18 | | |
|-------|-----------------------------|------------|-----|-------|------------|-----|-----------|
| | | Associates | KMP | Total | Associates | KMP | Total |
| 1 | Short Term Loans & Advances | - | - | - | 1,447,322 | - | 1,447,322 |
| 2 | Long Term Borrowings | - | - | - | - | - | - |

Citiport Financial Services Limited

H No 64 & 71(O), 255 & 256(N), Flat No 5C, Doyen Habitat, Srinagar Colony, Hyderabad-500073

CIN : L65991TG1992PLC065867

Notes forming part of Standalone Financial Statements As At 31.03.2019

Note No. 37 : Details of provisions

| S. No. | Particulars | As At 01.04.2018 | Additions | Utilisation | Reversal | As At 31.03.2019 (Consolidated) |
|--------|--|---------------------|--------------|--------------|--------------|---------------------------------------|
| 1 | Provision for warranty | Nil (Nil) | Nil (Nil) | Nil (Nil) | Nil (Nil) | Nil (Nil) |
| 2 | "Provision for estimated losses on onerous | Nil (Nil) | Nil (Nil) | Nil (Nil) | Nil (Nil) | Nil (Nil) |
| 3 | Provision for other contingencies (give details) | Nil (Nil) | Nil (Nil) | Nil (Nil) | Nil (Nil) | Nil (Nil) |
| | Total | Nil (Nil) | Nil (Nil) | Nil (Nil) | Nil (Nil) | Nil (Nil) |

Of the above, the following amounts are expected to be incurred within a year:

| S.No. | Nature of Transaction | FY 2018-19 | FY 2017-18 |
|-------|--|------------|------------|
| 1 | Provision for warranty | Nil | Nil |
| 2 | Provision for estimated losses on onerous | Nil | Nil |
| 3 | Provision for other contingencies (give details) | Nil | Nil |

Citiport Financial Services Limited

H No 64 & 71(O), 255 & 256(N), Flat No 5C, Doyen Habitat, Srinagar Colony, Hyderabad-500073

CIN : L65991TG1992PLC065867**Notes forming part of Standalone Financial Statements As At 31.03.2019**

| Note No. | Particulars |
|-----------------|--|
| 38 | <p>Note: Segment Reporting The company's operations consist one line of activity year by year. The Company is primarily operating in India which is considered as a single geographical segment. Hence there are no reportable segments under Accounting Standard – 17, issued by Institute of Chartered Accountants of India, during the year under report. The conditions prevailing in India being uniform, no separate geographical disclosures are considered necessary.</p> |
| 39 | <p>Note: Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is: Nil (Nil)</p> |
| 40 | <p>Note: In the opinion of the Board, current assets, loans and advances are stated at a value which could be realized in the ordinary course of business. The provision for all known liabilities made is adequate and not in excess of the amount reasonably necessary.</p> |
| 41 | <p>Note: Additional information pursuant to Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 is annexed.</p> |

As per the report of even date attached
For NSVR & Associates LLP
 Chartered Accountants
 Firm Regn. No.008801S/S200060

For and On behalf of the Board
Citiport Financial services limited

Sd/-
R.Srinivasu
 Partner
 Membership No.224033

Sd/-
Enjamuri Pardha Saradhi
 Managing Director
 DIN : 07531047

Sd/-
PRATHIPATI PARTHASARATHI
 Director
 DIN: 00004936

Sd/-
RAJA SEKHAR KATTA
 Chief Financial Officer

Sd/-
RAMACHANDER RAO DESHARAJU
 Company secretary

Place: Hyderabad
 Date: 28.05.2019

Consolidated Independent Auditor's Report**To the Members of M/s Citiport Financial Services Limited**

We have audited the accompanying consolidated financial statements of M/s Citiport Financial Services Limited ('the Holding Company'), which comprise the balance sheet as at 31st March 2019, the consolidated statement of profit and loss and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'consolidated financial statements')

Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of Consolidated Financial Statements by the Directors of Holding Company.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Company as at 31st March 2019 and their consolidated loss and their consolidated cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the consolidated financial statements.
 - (b) In our opinion proper books of account as required by law relating to preparation of consolidated financial statements have been kept by the Company so far as it appears from our examination of those books;
 - (c) The consolidated balance sheet, the consolidated statement of profit and loss and the consolidated cash flow statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of consolidated financial statements;
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March 2019 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditor of its subsidiary companies in India, none of the directors of group companies incorporated in India is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure"; and
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Holding Company and its subsidiaries do not have any pending litigations which would impact its financial position.
 - ii) The Holding Company and its subsidiaries did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiaries incorporated in India.

**For NSVR & ASSOCIATES LLP
Chartered Accountants
FRN :008801S/S200060**

**R.Srinivasu
Partner
M.No. 224033**

**Place : Hyderabad
Date : 28.05.2019**

Annexure to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March 2019, we have audited the internal financial controls over financial reporting of M/s Citiport Financial Services Limited ("the Holding Company") and its subsidiary companies in India as of 31st March 2019 as of date.

Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of the Holding Company and its subsidiary companies in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of

records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its subsidiary companies in India have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For NSVR & ASSOCIATES LLP
Chartered Accountants
FRN :008801S/S200060**

**R.Srinivasu
Partner
M.No. 224033**

**Place : Hyderabad
Date : 28.05.2019**

Consolidated Balance Sheet as at 31.03.2019

(Amount in INR)

| Particulars | Note No. | As At 31.03.2019 | As At 31.03.2018 |
|--|----------------|---------------------|---------------------|
| A Equity and Liabilities: | | | |
| Shareholders funds | | | |
| (a) God Account | | 22 | 22 |
| (b) Share Capital | 1 | 31,000,000 | 31,000,000 |
| (c) Reserves and Surplus | 2 | (1,094,339) | (1,110,146) |
| (d) Money Received against Share Warrants | | - | - |
| Share application money pending allotment | 3 | - | - |
| Minority Interest | | 1,458,265 | 1,459,696 |
| Non-current liabilities | | | |
| (a) Long-term borrowings | 4 | 452,000 | 452,000 |
| (b) Deferred tax liabilities (Net) | | - | - |
| (c) Other Long term liabilities | 5 | - | - |
| (d) Long-term provisions | 6 | - | - |
| Current Liabilities | | | |
| (a) Short-term borrowings | 7 | - | - |
| (b) Trade payables | 8 | - | - |
| (c) Other current liabilities | 9 | 653,188 | 624,588 |
| (d) Short-term provisions | 10 | 536,052 | 477,689 |
| TOTAL | | 33,005,189 | 32,903,849 |
| B Assets: | | | |
| Non-current assets | | | |
| (a) Fixed assets | | | |
| (i) Tangible assets | 11 | 17,582 | 17,582 |
| (ii) Intangible assets | | 2,644,202 | 2,644,202 |
| (iii) Capital work - in - progress | | - | - |
| (iv) Intangible assets under development | | - | - |
| (b) Non-current Investments | 12 | - | - |
| (c) Deferred tax assets (net) | 29 | 3,390 | 3,630 |
| (d) Long- term loans and advances | 13 | 7,844,661 | 7,962,428 |
| (e) Other non-current assets | 14 | 23,000 | 23,000 |
| Current assets | | | |
| (a) Current Investments | | - | - |
| (b) Inventories | 15 | - | - |
| (c) Trade Receivable | 16 | 70,000 | 70,000 |
| (d) Cash and Bank balances | 17 | 1,240,911 | 1,320,586 |
| (e) Short -term loans and advances | 18 | 21,161,443 | 20,862,421 |
| (f) Other current assets | 19 | - | - |
| TOTAL | | 33,005,189 | 32,903,849 |
| Accounting Policies & Other relevant Notes | 27 to 41 27 | | |

Previous Year Figures have been regrouped/ reclassified/ rearranged wherever necessary.

As per the report of even date attached
For NSVR & Associates LLP

Chartered Accountants
Firm Regn. No.008801S/S200060

Sd/-
R.Srinivasu
Partner
Membership No.224033

Place: Hyderabad
Date: 28.05.2019

For and On behalf of the Board
Citiport Financial services limited

Sd/-
Enjamuri Pardha Saradhi
Managing Director
DIN : 07531047

Sd/-
RAJA SEKHAR KATTA
Chief Financial Officer

Sd/-
PRATHIPATI PARTHASARATHI
Director
DIN: 00004936

Sd/-
RAMACHANDER RAO DESHARAJU
Company secretary

Consolidated Statement of Profit and Loss for the year ended 31.03.2019

| S. No. | Particulars | Note No. | For the Year ended 31.03.2019 | For the Year ended 31.03.2018 |
|-----------|---|----------|-------------------------------|-------------------------------|
| A | Continuing Operations: | | | |
| 1 | Revenue from operations | 20 | 1,775,186 | 1,720,341 |
| | Less: Excise Duty | | - | - |
| | Revenue from operations (net) | | 1,775,186 | 1,720,341 |
| 2 | Other income | 21 | - | 5,565 |
| 3 | Total Revenue (1 + 2) | | 1,775,186 | 1,725,906 |
| 4 | Expenses: | | | |
| | Cost of materials consumed | | | |
| | Purchases of Stock in Trade | 22 | - | - |
| | "Changes in inventories of finished goods, work-in-progress and Stock-in-Trade | 23 | - | - |
| | Employee Benefit Expense | 24 | 752,560 | 871,090 |
| | Other Expenses | 25 | 979,745 | 864,892 |
| | Total | | 1,732,305 | 1,735,982 |
| 5 | Earnings before exceptional and extraordinary items, interest, tax, depreciation and amortisation (EBITDA) (3 - 4) | | 42,881 | (10,076) |
| 6 | Finance Costs | 26 | 22,267 | 77,282 |
| 7 | Depreciation and amortisation expense | 11 | - | 2,784 |
| 8 | Profit / (Loss) before exceptional and extraordinary items and tax (5 - 6 - 7) | | 20,614 | (90,143) |
| 9 | Exceptional Items | | - | - |
| 10 | Profit / (Loss) before extraordinary items and tax (8 - 9) | | 20,614 | (90,143) |
| 11 | Extraordinary items | | - | - |
| 12 | Profit / (Loss) before tax (10 - 11) | | 20,614 | (90,143) |
| 13 | Tax Expense: | | | |
| | - Income Tax | | 5,997 | - |
| | Current Period | | 5,997 | - |
| | Prior Period | | - | - |
| | - Deferred Tax | | 240 | 210 |
| 14 | Profit / (Loss) for the period from continuing operations (12 - 13) | | 14,377 | (90,353) |
| B | Discontinuing Operations | | | |
| 15 | Profit/(loss) from discontinuing operations | | - | - |
| 16 | Tax expense of discontinuing operations | | - | - |
| 17 | Profit/(Loss) from Discontinuing operations (after tax) (15 - 16) | | - | - |
| C | Total Operations | | - | - |
| 18 | Profit / (Loss) for the year Before Minority Interest (14 + 17) | | 14,377 | (90,353) |
| 19 | Minority Interest | | (1,431) | (1,430) |
| 20 | Profit after Minority Interest | | 15,807 | (88,923) |
| 21 | Earnings per equity share: | | | |
| | - Basic | | 0.005 | (0.03) |
| | - Diluted | | 0.005 | (0.03) |
| | Accounting Policies & Other relevant Notes | 27 to 41 | | |

Previous Year Figures have been regrouped / reclassified / rearranged wherever necessary.

As per the report of even date attached

For NSVR & Associates LLP

Chartered Accountants

Firm Regn. No.008801S/S200060

Sd/-

R.Srinivasu

Partner

Membership No.224033

Place: Hyderabad

Date: 28.05.2019

For and On behalf of the Board

Citiport Financial services limited

Sd/-

PRATHIPATI PARTHASARATHI

Director

DIN: 00004936

Sd/-

Enjamuri Pardha Saradhi

Managing Director

DIN : 07531047

Sd/-

RAJA SEKHAR KATTA

Chief Financial Officer

Sd/-

RAMACHANDER RAO DESHARAJU

Company secretary

Citiport Financial Services Limited

H No 64 & 71(0), 255 & 256(N), Flat No 5C, Doyen Habitat, Srinagar Colony, Hyderabad-500073

CIN : L65991TG1992PLC065867

Consolidated Cash Flow Statement for the year ended 31.03.2019

| Particulars | For the Year ended 31.03.2019 (Consolidated) | For the Year ended 31.03.2018 (Consolidated) |
|--|--|--|
| A. Cash flow from Operating activities | | |
| Net Profit before tax as per Profit and loss account | 20,614 | (90,143) |
| Adjustments | | |
| (Profit) / Loss on sale of fixed assets (net) | - | - |
| (Profit) / Loss on sale of investments (net) | - | - |
| Investments Written Off | - | - |
| Depreciation and Amortisation Expense | - | 2,784 |
| Preliminary Expenditure Written Off | - | - |
| Interest Income | - | - |
| Dividend income | - | - |
| Effect of Exchange Rate change | - | - |
| Finance Costs | 22,267 | 77,282 |
| | 42,881 | (10,076) |
| (Increase)/Decrease in Trade and Other Receivables | - | - |
| Increase/(Decrease) in Trade Payables | - | - |
| (Increase)/Decrease in Inventories | - | - |
| Changes in Short Term Loans & Advances | (299,022) | (195,813) |
| Changes in Other Current Assets | - | - |
| (Increase)/Decrease in Fixed Deposits having original maturity over 3 months | - | - |
| Increase/(Decrease) in Other Current Liab. /Short Term Prov. | 80,966 | 257,410 |
| Increase/(Decrease) in Other Long Term Liab. / Long Term Prov. | - | - |
| Cash generated from Operations | (175,175) | 51,521 |
| Direct Taxes paid | - | - |
| Net Cash from Operating activities | (175,175) | 51,521 |
| B. Cash flow from Investing Activities | | |
| (Purchase) / Sale of Fixed Assets (Net) | - | - |
| Capital Work-in-progress | - | - |
| (Purchase) / Sale of Investments (Net) | - | - |
| Changes in Long Term Loans & Advances | 117,767 | (49,631) |
| Changes in Other Non current Assets | - | (23,000) |
| Interest Income | - | - |
| Dividend income | - | - |
| Cash flow before exceptional items | 117,767 | (72,631) |
| Exceptional Items | - | - |
| Net Cash from Investment Activities | 117,767 | (72,631) |
| C. Cash Flow from Financing Activities | | |
| Proceeds from issue of Share Capital/ Share Application Money | - | - |
| Proceeds / (Repayment) from Borrowings | - | - |
| Finance Costs | (22,267) | (77,282) |
| Dividends Paid | - | - |
| Dividend tax paid | - | - |
| Effect of Exchange Rate change | - | - |
| Net cash used in financing activities | (22,267) | (77,282) |
| Net (Decrease) / Increase in cash and cash equivalents | (79,675) | (98,393) |
| Cash and cash equivalents at the beginning of the year | 1,320,586 | 1,418,979 |
| Cash and Cash equivalents at the end of the year | 1,240,911 | 1,320,586 |
| Short Term Bank Deposits | - | - |
| Cash and Bank Balances at the end of the year | 1,240,911 | 1,320,586 |

1. The above Cash Flow Statement has been prepared under the Indirect Method as set out in Accounting Standard 3 on Cash Flow Statements notified under section 133 of the Companies Act, 2013.
2. Previous Year Figures have been regrouped/ reclassified/ rearranged wherever necessary.

As per the report of even date attached
For NSVR & Associates LLP
Chartered Accountants
Firm Regn. No.008801S/S200060

For and On behalf of the Board
Citiport Financial services limited

Sd/-
R.Srinivasu
Partner
Membership No.224033

Sd/-
Enjamuri Pardha Saradhi
Managing Director
DIN : 07531047

Sd/-
PRATHIPATI PARTHASARATHI
Director
DIN: 00004936

Sd/-
RAJA SEKHAR KATTA
Chief Financial Officer

Sd/-
RAMACHANDER RAO DESHARAJU
Company secretary

Place: Hyderabad
Date: 28.05.2019

Citiport Financial Services Limited

Notes forming part of Consolidated Financial Statements As At 31.03.2019

A.

A1 Accounting policies adopted in the preparation of consolidated accounts

The consolidated accounts related to M/s. Citiport Financial Services Limited, Hyderabad (Holding Company) and M/s.Citiprt Credit Limited (Subsidiary Company) have been prepared in accordance with Accounting Standard 21 "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.

A2 Details of subsidiary company considered in the consolidated accounts

| Name of the subsidiary | Country of Incorporation | Share holding as on | Extent of Holding (%) Direct |
|-------------------------|--------------------------|---------------------|------------------------------|
| Citiport Credit Limited | India | 31-Mar-19 | 82.59% |

A3 Other significant accounting policies:

Accounting Standards 1 to 32 (to the extent applicable) issued by the Institute of Chartered Accountants of India have been duly considered while preparing the accounts of both holding and subsidiary company and the same have been explained in detail in the notes on accounts of the respective companies which may be referred to Notes to Accounts annexed to respective financial statements forming part of this Consolidated Financial Statements.

A4 Additional information on Consolidated Financial Statements as prescribed by Schedule III to the Companies Act, 2013

| Name of the entity in the Group | Net assets, i.e., total assets minus total liabilities | | Share in Profit/ (Loss) | |
|-------------------------------------|--|-------------------|---|----------------|
| | As a % of consolidated net assets | Amount (INR) | As a % of consolidated profit or (loss) | Amount (INR) |
| Parent | | | | |
| Citiport Financial Services Limited | 100.61% | 30,087,549 | 157.16% | 22,595 |
| Subsidiary | | | | |
| Citiport Credit Limited | 28.01% | 8,377,198 | -57.16% | (8,218) |
| Sub-total | 128.62% | 38,464,747 | 100.00% | 14,377 |
| Minority Interest | 4.88% | 1,458,265 | -9.95% | (1,431) |
| Less: Total Elimination | 23.74% | 7,100,798 | 9.95% | 1,431 |
| Total | 100.00% | 29,905,683 | 100.00% | 14,377 |

Citiport Financial Services Limited

H No 64 & 71(O), 255 & 256(N), Flat No 5C, Doyen Habitat, Srinagar Colony, Hyderabad-500073

CIN : L65991TG1992PLC065867

Notes forming part of Consolidated Financial Statements As At 31.03.2019

Note No. 1 : Share Capital

| S.No. | Particulars | As At 31.03.2019 | | As At 31.03.2018 | |
|-------|--|------------------|-------------------|------------------|-------------------|
| | | Number | Amount | Number | Amount |
| 1 | Authorised Equity Shares of Rs. 10/- each with Voting Rights | 3,200,000 | 32,000,000 | 3,200,000 | 32,000,000 |
| 1 | Issued, Subscribed and Paid up Equity Shares of Rs. 10/- each fully paid up with Voting Rights | 3,100,000 | 31,000,000 | 3,100,000 | 31,000,000 |
| | Total | 3,100,000 | 31,000,000 | 3,100,000 | 31,000,000 |

(a) Reconciliation of the number of shares outstanding as at 31.03.2018 and 31.03.2019

| S.No. | Particulars | As At 31.03.2019 | | As At 31.03.2018 | |
|-------|--|------------------|------------|------------------|------------|
| | | Number | Amount | Number | Amount |
| 1 | Equity Shares outstanding at the beginning of the year | 3,100,000 | 31,000,000 | 3,100,000 | 31,000,000 |
| 2 | Equity Shares Issued during the year | - | - | - | - |
| 3 | Equity Shares bought back during the year | - | - | - | - |
| 4 | Equity Shares outstanding at the end of the year | 3,100,000 | 31,000,000 | 3,100,000 | 31,000,000 |

(b) Rights, preferences and restrictions attached to shares:

The company has one class of equity shares having a par value of Rs.10/- each. Each shareholder is eligible for one vote per share held. The dividend proposed by the board of directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in the case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

(b) Details of Shareholders holding more than 5 percent shares:

| S.No. | Particulars | As At 31.03.2019 | | As At 31.03.2018 | |
|-------|---|--------------------|--------------|--------------------|--------------|
| | | No. of Shares Held | % of Holding | No. of Shares Held | % of Holding |
| | <u>Equity Shares with Voting Rights</u> | | | | |
| 1 | Golden Valley Holdings Private Limited | 899,304 | 29.01% | 899,304 | 29.01% |
| 2 | Ginza Communication Private Limited | 307,600 | 9.92% | 307,600 | 9.92% |
| 3 | Mithul Investment Private Limited | 242,200 | 7.81% | 242,200 | 7.81% |

(c) Aggregate number and class of shares allotted as fully paid up for consideration other than cash, bonus shares and shares bought back for the period of 5 years immediately preceding the Balance Sheet date

| S.No. | Particulars | No. of shares | | No. of shares | |
|-------|-------------|------------------|-----|------------------|-----|
| | | As At 31.03.2019 | | As At 31.03.2018 | |
| | | Nil | Nil | Nil | Nil |

Citiport Financial Services Limited

H No 64 & 71(O), 255 & 256(N), Flat No 5C, Doyen Habitat, Srinagar Colony, Hyderabad-500073

CIN : L65991TG1992PLC065867

Notes forming part of Consolidated Financial Statements As At 31.03.2019

| Note No. | Particulars | As At 31.03.2019 (Consolidated) | As At 31.03.2018 (Consolidated) |
|----------|--|------------------------------------|------------------------------------|
| 2 | Note: Reserves & Surplus | | |
| | General Reserve | | |
| | As per last Balance Sheet | 18,913 | 18,913 |
| | Add: Transferred from Profit & Loss A/c | - | - |
| | Closing Balance | 18,913 | 18,913 |
| | Statutory Reserve Fund * | | |
| | Opening Balance | 943,935 | 943,935 |
| | (+) Addition during the year | - | - |
| | Closing Balance | 943,935 | 943,935 |
| | * Statutory Reserve Fund Created as per Section 45-IC of Reserve Bank of India Act, 1934 | | |
| | Profit and Loss Account | | |
| | As per last Balance Sheet | (2,072,994) | (1,984,071) |
| | (+) Net Profit for the current year | 15,807 | - |
| | (+) Transfer from Reserves | - | - |
| | (-) Net Loss for the current year | - | 88,923 |
| | (-) Adjustment relating to Fixed Assets | - | - |
| | (-) Proposed Dividends | - | - |
| | (-) Interim Dividends | - | - |
| | (-) Transfer to Statutory Reserve | - | - |
| | Closing Balance | (2,057,187) | (2,072,994) |
| | Total | (1,094,339) | (1,110,146) |
| 3 | Note: Share Application money pending allotment | | |
| | Total Amount | - | - |

Citiport Financial Services Limited

H No 64 & 71(O), 255 & 256(N), Flat No 5C, Doyen Habitat, Srinagar Colony, Hyderabad-500073

CIN : L65991TG1992PLC065867

Notes forming part of Consolidated Financial Statements As At 31.03.2019

| Note No. | Particulars | As At 31.03.2019 | As At 31.03.2018 |
|-----------------|---|-----------------------------|-----------------------------|
| 4 | Note: Long Term Borrowings | | |
| | Secured | | |
| | Term Loans from Banks | - | - |
| | Vehicle Loans from Banks | - | - |
| | Unsecured | 452,000 | 452,000 |
| | From Directors | 452,000 | 452,000 |
| 5 | Note: Other Longterm Liabilities | | |
| | Other Liabilites | - | - |
| 6 | Note: Long Term Provisions | | |
| | Provisions - Others | - | - |
| 7 | Note: Short Term Borrowings | | |
| | Secured | | |
| | Loans repayable on demand from Banks | - | - |
| | Loans repayable on demand from Others | - | - |
| | Unsecured | | |
| | Loans from Related Parties | - | - |
| | Other Loans and Advances | - | - |

Citiport Financial Services Limited

H No 64 & 71(O), 255 & 256(N), Flat No 5C, Doyen Habitat, Srinagar Colony, Hyderabad-500073

CIN : L65991TG1992PLC065867

Notes forming part of Consolidated Financial Statements As At 31.03.2019

| Note No. | Particulars | As At 31.03.2019 (Consolidated) | As At 31.03.2018 (Consolidated) |
|-----------|--|---------------------------------------|---------------------------------------|
| 8 | Note: Trade Payables | | |
| | Dues to Micro, Small and Medium Enterprises * | - | - |
| | Dues to Others | - | - |
| | * The details of amounts outstanding to Micro, Small and Medium Enterprises based on available information with the company is as under: | | |
| | Principal amount due and remaining unpaid | - | - |
| | Interest due on above and the unpaid interest | - | - |
| | Interest paid | - | - |
| | Payment made beyond the appointed day during the year | - | - |
| | Interest due and payable for the period of delay | - | - |
| | Interest accrued and remaining unpaid | - | - |
| | Amount of further interest remaining due and payable in succeeding years | - | - |
| | The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the company. This has been relied upon by the auditors. | | |
| 9 | Note: Other Current Liabilities | | |
| | <u>Current Maturities of Long Term Debt (Secured)</u> | | |
| | Termloans from Banks | - | - |
| | Interest Accrued & Due on Borrowings | - | - |
| | Advances received from Customers | - | - |
| | Other Payables* | 653,188 | 624,588 |
| | | 653,188 | 624,588 |
| | * Other Payables include | | |
| | Expenses Payable | 642,688 | 614,088 |
| | Statutory Liabilities | 10,500 | 10,500 |
| 10 | Note: Short Term Provisions | | |
| | Provisions for Employee Benefits | 32,000 | - |
| | Provisions - Others: | | |
| | Provision for Taxes | 83,744 | 77,747 |
| | Contingency Provision Against Standard Assets * | 420,308 | 399,942 |
| | | 536,052 | 477,689 |

Citiport Financial Services Limited

H No 64 & 71(O), 255 & 256(N), Flat No 5C, Doyen Habitat, Srinagar Colony, Hyderabad-500073

CIN : L65991TG1992PLC065867

Notes forming part of Consolidated Financial Statements As At 31.03.2019

Note No. 11 : Fixed Assets

(Amount INR)

| S. No. | Particulars | GROSS BLOCK | | | | | | | | | | Balance As At 31.03.2018 |
|--------|-----------------------------|--------------------------|-----------|-----------|--|-------------------------------|----------------------|--|----------------------------|------------|---|--------------------------|
| | | Balance As At 01.04.2018 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | |
| | | | Additions | Disposals | Acquisitions through business combinations | Reclassified as held for sale | Revaluation increase | Effect of foreign exchange differences | Borrowing cost capitalised | Other Adj. | | |
| A | Tangible assets : | | | | | | | | | | | |
| (a) | Computers & Software | | | | | | | | | | | |
| | Owned | 188,130 | - | - | - | - | - | - | - | - | - | 188,130 |
| | Taken under finance lease | | - | - | - | - | - | - | - | - | - | - |
| | Given under operating lease | | - | - | - | - | - | - | - | - | - | - |
| (b) | Furniture and Fixtures | | | | | | | | | | | |
| | Owned | 277,269 | - | - | - | - | - | - | - | - | - | 277,269 |
| | Taken under finance lease | | - | - | - | - | - | - | - | - | - | - |
| | Given under operating lease | | - | - | - | - | - | - | - | - | - | - |
| (c) | Plant & Machinery | | | | | | | | | | | |
| | Owned | 29,800 | - | - | - | - | - | - | - | - | - | 29,800 |
| | Taken under finance lease | | - | - | - | - | - | - | - | - | - | - |
| | Given under operating lease | | - | - | - | - | - | - | - | - | - | - |
| | Total (A) | 495,199 | - | - | - | - | - | - | - | - | - | 495,199 |
| | Previous Year | | | | | | | | | | | (495,199) |
| B | Intangible assets | | | | | | | | | | | |
| | Total (B) | | | | | | | | | | | |
| | Previous Year | | | | | | | | | | | |
| | Grand Total (A + B) | 495,199 | | | | | | | | | | 495,199 |

| Accumulated depreciation and impairment | | | | | | | | | | | |
|--|---------------------------------|--------------------------|--|----------------------------------|---|--|--|-------------------|--------------------------|--------------------------|--------------------------|
| S. No. | Particulars | Balance As At 01.04.2018 | Depreciation / amortisation expense for the year | Eliminated on disposal of assets | Eliminated on reclassification as held for sale | Impairment losses recognised in statement of profit and loss | Reversal of impairment losses recognised in Statement of Profit and Loss | Other adjustments | Balance As At 31.03.2019 | Balance As At 31.03.2019 | Balance As At 31.03.2018 |
| | | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18=sum (11:17) | 19=(10-18) | 20=(1-11) |
| A | Tangible assets : | | | | | | | | | | |
| (a) | Computers & Software | | | | | | | | | | |
| | Owned | 188,630 | - | - | - | - | - | - | 181,630 | 6,500 | 6,500 |
| | Taken under finance lease | - | - | - | - | - | - | - | - | - | - |
| | Given under operating lease | - | - | - | - | - | - | - | - | - | - |
| (b) | Furniture and Fixtures | | | | | | | | | | |
| | Owned | 267,677 | - | - | - | - | - | - | 267,677 | 9,592 | 9,592 |
| | Taken under finance lease | - | - | - | - | - | - | - | - | - | - |
| | Given under operating lease | - | - | - | - | - | - | - | - | - | - |
| (c) | Plant & Machinery | | | | | | | | | | |
| | Owned | 28,310 | - | - | - | - | - | - | 28,310 | 1,490 | 1,490 |
| | Taken under finance lease | - | - | - | - | - | - | - | - | - | - |
| | Given under operating lease | - | - | - | - | - | - | - | - | - | - |
| | Total (A) | 477,617 | - | - | - | - | - | - | 477,617 | 17,582 | 17,582 |
| | Previous Year | 495,199 | - | - | 0 | 0 | 0 | 0 | 477,617 | 17,582 | 17,582 |
| B | Intangible assets | | | | | | | | | | |
| | Total (B) | - | - | - | - | - | - | - | - | - | - |
| C | Capital Work in Progress | | | | | | | | | | |
| | Grand Total (A+B+C) | 477,617 | - | - | - | - | - | - | 477,617 | 17,582 | 17,582 |

Citiport Financial Services Limited

H No 64 & 71(O), 255 & 256(N), Flat No 5C, Doyen Habitat, Srinagar Colony, Hyderabad-500073

CIN : L65991TG1992PLC065867

Notes forming part of Consolidated Financial Statements As At 31.03.2019

(Amount in INR)

| Note No. | Particulars | No. of Shares | As At 31.03.2019 | No. of Shares | As At 31.03.2018 (Consolidated) |
|-----------|--|---------------|------------------|---------------|------------------------------------|
| 12 | Note: Non Current Investments | | | | |
| | In Equity Shares (Quoted - fully paid up) | - | - | - | - |
| | Total (A) | - | - | - | - |
| | In Equity Shares (Unquoted - fully paid up) | | | | |
| | Citiport Credit Limited | - | - | - | - |
| | Total (B) | - | - | - | - |
| | Grand Total (A + B) | - | - | - | - |

Notes forming part of Consolidated Financial Statements As At 31.03.2019

(INR)

| Note No. | Particulars | As At 31.03.2019 | As At 31.03.2018 |
|-----------|---|---------------------|---------------------|
| 13 | Note: Long Term Loans & Advances | | |
| | (a) Capital Advances | - | - |
| | (b) Security Deposits | - | - |
| | (c) Loans & Advances to related parties | - | - |
| | (d) Loans & Advances to Employees | - | - |
| | (e) Prepaid Expenses | - | - |
| | (f) Advance Income Tax | - | - |
| | (g) MAT Credit Entitlement | - | - |
| | (h) Balances with Government Authorities | - | - |
| | TDS Receivable | 243,927 | 361,694 |
| | (i) Other Loans & Advances | - | - |
| | Secured, considered good | - | - |
| | Unsecured, considered good | 7,600,734 | 7,600,734 |
| | Doubtful | - | - |
| | | <u>7,844,661</u> | <u>7,962,428</u> |
| | Less: Provision for other doubtful loans & advances | - | - |
| | | <u>7,844,661</u> | <u>7,962,428</u> |
| | Note : Long Term Loans & Advances include amounts due from | | |
| | Directors | - | - |
| | Other Officers of company | - | - |
| | Firms in which any director is a partner | - | - |
| | Private companies in which any director is a director or member | - | - |
| 14 | Note: Other Non-Current Assets | | |
| | (a) Long-term trade receivables | - | - |
| | (b) Unamortised expenses * (to the extent not written off or not adj.) | - | - |
| | (i) Ancillary borrowing costs | - | - |
| | (ii) Share issue expenses | - | - |
| | (iii) Discount on shares | - | - |
| | (iv) Other Expenses | - | - |
| | Preliminary Expenditure | - | - |
| | (c) Accruals | - | - |
| | (d) Other Non-current Assets | | |
| | Rent Deposit | 23,000 | 23,000 |
| | Telephone Deposit | - | - |
| | Other Deposits | - | - |
| | | <u>23,000</u> | <u>23,000</u> |

Notes forming part of Consolidated Financial Statements As At 31.03.2019
(INR)

| Note No. | Particulars | As At 31.03.2019 | As At 31.03.2018 |
|-----------|---|---------------------|---------------------|
| 15 | Note: Inventories: | | |
| | (a) Raw materials | - | - |
| | Goods-in-transit | - | - |
| | (b) Work-in-progress | - | - |
| | Goods-in-transit | - | - |
| | (c) Finished goods (other than those acquired for trading) | - | - |
| | Goods-in-transit | - | - |
| | (d) Stock-in-trade (acquired for trading) | - | - |
| | Goods-in-transit | - | - |
| | (e) Stores and spares | - | - |
| | Goods-in-transit | - | - |
| | (f) Loose tools | - | - |
| | Goods-in-transit | - | - |
| | (g) Others (Specify nature) | - | - |
| | Goods-in-transit | - | - |
| | | <u>-</u> | <u>-</u> |
| | | <u>-</u> | <u>-</u> |
| 16 | Note: Trade Receivables | | |
| | Trade receivables outstanding for a period exceeding six months from the date they were due for payment | | |
| | Secured, considered good | - | - |
| | Unsecured, considered good | - | - |
| | Doubtful | - | - |
| | Trade receivables outstanding for a period less than six months from the date they were due for payment | | |
| | Secured, considered good | - | - |
| | Unsecured, considered good | - | - |
| | Doubtful | 70,000 | 70,000 |
| | | <u>70,000</u> | <u>70,000</u> |
| | Less : Provision for doubtful trade receivables | - | - |
| | | 70,000 | 70,000 |
| | * Trade receivables include debts due from: | | |
| | Directors | - | - |
| | Other officers of the Company | - | - |
| | Firms in which any director is a partner (give details per firm) | - | - |
| | Private companies in which any director is a director or member (give details per company) | - | - |

Notes forming part of Consolidated Financial Statements As At 31.03.2019
(INR)

| Note No. | Particulars | As At 31.03.2019 | As At 31.03.2018 |
|-----------|---|---------------------|---------------------|
| 17 | Note: Cash and Bank balances | | |
| | (a) Cash and Cash Equivalents | - | - |
| | (i) Balances with banks; | - | - |
| | In Deposit Accounts | - | - |
| | In Current Accounts | 42,926 | 144,620 |
| | (ii) Cheques, drafts on hand | - | - |
| | (iii) Cash on hand | 1,197,985 | 1,175,966 |
| | (b) Other Bank balances | - | - |
| | In Deposit Accounts | - | - |
| | | 1,240,911 | 1,320,586 |
| 18 | Note: Short Term Loans & Advances | | |
| | (a) Loans & Advances to related parties | | |
| | Secured, considered good | - | - |
| | Unsecured, considered good | | |
| | Trinox Infrastructure and Developers Private Ltd | - | 1,447,322 |
| | Doubtful | - | 1,447,322 |
| | Less: Provision for doubtful loans & advances | - | 1,447,322 |
| | (b) Security Deposits | - | - |
| | (c) Loans & Advances to Employees | - | 320,000 |
| | (d) Prepaid Expenses | 4,544 | 4,544 |
| | (e) Balances with Government Authorities | | |
| | TDS Receivable | 172,116 | 172,040 |
| | (f) Inter-Corporate Deposits | | - |
| | (g) Others | | |
| | Secured, considered good | | - |
| | Unsecured, considered good | | |
| | Ginza Communications Pvt Ltd | 14,357,582 | 14,862,442 |
| | Kite College of Professional Engineering Sciences | - | 392,232 |
| | Manchineni Jyothi | 2,530,904 | |
| | Phat Phish Films (P) Ltd | 4,096,297 | 3,663,841 |
| | (j) Doubtful | | |
| | | 21,161,443 | 20,862,421 |
| | Less: Provision for other doubtful loans & advances | - | - |
| | | 21,161,443 | 20,862,421 |
| | Note: Short Term Loans & Advances include amounts due from | | |
| | Directors | - | - |
| | Other Officers of company | - | - |
| | Firms in which any director is a partner | - | - |
| | Private companies in which any director is a director or member | - | 1,447,322 |

19 Note: Other Current Assets

| | | |
|--------------------------|---|---|
| (a) Unbilled revenue | - | |
| (b) Unamortised expenses | - | |
| (c) Accruals | - | |
| (d) Other Current Assets | - | |
| | - | - |
| | - | - |

| Note No. | Particulars | For the Year ended 31.03.2019 (Consolidated) | For the Year 31.03.2018 (Consolidated) |
|-----------------|--|---|---|
| 20 | Note: Revenue from Operations | | |
| | Interest | 1,775,186 | 1,720,341 |
| | Other financial Services | | - |
| | | 1,775,186 | 1,720,341 |
| | | 1,775,186 | 1,720,341 |
| 21 | Note: Other Income | | |
| | Other Income | - | 5,565 |
| | | - | 5,565 |
| | | - | 5,565 |
| 22 | Note: Purchases | | |
| | Purchases | - | - |
| | | - | - |
| | | - | - |
| 23 | Note: Changes in inventories of finished goods, work-in-progress and stock-in-trade | | |
| | <u>Inventories at the end of the year:</u> | | |
| | Finished goods (acquired for trading) | - | - |
| | Work-in-progress | - | - |
| | Stock-in-trade | - | - |
| | | - | - |
| | | - | - |
| | <u>Inventories at the beginning of the year:</u> | | |
| | Finished goods (acquired for trading) | - | - |
| | Work-in-progress | - | - |
| | Stock-in-trade | - | - |
| | | - | - |
| | | - | - |
| | Net increase / (decrease) | - | - |
| | | - | - |
| 24 | Note: Employee Benefit Expenses | | |
| | Salaries and wages | 735,000 | 852,000 |
| | Directors Remuneration | | - |
| | Contribution to provident and other funds | | - |
| | Staff welfare expenses | 17,560 | 19,090 |
| | | 752,560 | 871,090 |
| | | 752,560 | 871,090 |

Notes forming part of Consolidated Financial Statements As At 31.03.2019

(INR)

| Note No. | Particulars | For the Year ended 31.03.2019 | For the Year 31.03.2018 |
|-----------|---------------------------------|----------------------------------|----------------------------|
| 25 | Note: Other Expenses | | |
| | Advertisement Expenses | 27,741 | 28,548 |
| | Audit Fee | 78,300 | 80,100 |
| | AGM Expences | 59,800 | |
| | Consultancy Charges | 5,000 | 247,050 |
| | Conveyence Expenses | 18,420 | 17,800 |
| | Credit rating Agency Charges | 17,770 | |
| | DeMat & RTA Expenses | 88,240 | 49,450 |
| | Fees & Taxes | 299,040 | 294,000 |
| | Internet / Cable Charges | 13,634 | 12,964 |
| | Office Maintenance | 24,000 | 61,680 |
| | Postage & Courier | - | 9,500 |
| | Professional / Legal Fees | 251,800 | - |
| | Rent | 96,000 | 63,800 |
| | | 979,745 | 864,892 |
| 26 | Note: Finance Costs | | |
| | Interest Expense | - | - |
| | Interest | - | - |
| | Interest on Others * | 969 | 523 |
| | Other Finance Expenses | - | |
| | Bank Charges | 932 | 930 |
| | Provision for Standard Assets * | 20,366 | 75,832 |
| | | 22,267 | 77,285 |

* Interest on Others include Interest on TDS Payable & Interest on Income Tax

NOTE 27: SIGNIFICANT ACCOUNTING POLICIES**Background**

M/s Citiport Financial Services Limited ('the Holding Company') is registered as a Non-Banking Financial Company ('NBFC') as defined under section 45-IA of the Reserve Bank of India Act, 1934. The Company is broadly engaged in lending business.

Principles of Consolidation

The consolidated financial statements relate to Citiport Financial Services Limited ('Holding Company'), its subsidiary i.e. Citiport Credit Limited (collectively referred to as "Group"). The consolidated financial statements have been prepared on the following basis:

- i) The Standalone financial statements of the Holding Company and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses.
- ii) The consolidated financial statements have been prepared using uniform accounting policies for transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Holding Company's stand-alone financial statements.
- iii) The difference between the costs of investment in the subsidiaries over the net assets as on the date of acquisition is recognized in the Consolidated financial statements as Goodwill or Capital Reserve, as the case may be.
- iv) The difference between the proceeds from disposal of investment in a subsidiary and the carrying amount of its assets less liabilities as of the date of disposal is recognized in the consolidated statement of profit and loss as the profit or loss on disposal of investment in subsidiary as the case may be.
- v) Minority interest's share of net profit of consolidated subsidiaries for the year is identified and adjusted against the income of the Group in order to arrive at the net income attributable to shareholders of the Company.
- vi) Minority interest's share of net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders.
- vii) The Standalone financial statements of the Holding Company and its associates have been combined on the basis of equity method, whereby the investment is initially recorded at cost, identifying any goodwill / capital reserve arising at the time of acquisition. The carrying amount of the investment is adjusted thereafter for post acquisition change in the Holding Company's share of net assets of the associate. Unrealized profits and losses resulting from transactions between the Holding Company and the associates are eliminated to the extent of the Company's interest in the associate. Unrealized losses are not eliminated if and to the extent the cost of the transferred asset cannot be recovered. The consolidated statement of profit and loss reflects the Holding Company's share of operations of the associate.

1. Basis of accounting

The Consolidated Financial Statements are prepared under historical cost convention on the basis of going concern and as per Accounting Standards notified under Section 133 of the Companies Act, 2013. The Company follows the Accrual system of Accounting and Prudential Norms prescribed by Reserve Bank of India consistently from year to year.

2. Use of estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting periods. Although these estimates are based upon management's knowledge of current events and actions, actual results could differ from those estimates and revisions, if any, are recognized in the current and future periods.

3. Intangible assets and amortization

Softwares which are not integral part of the hardware are classified as intangibles and is stated at cost less accumulated amortization. Softwares are being amortized over the estimated useful life of 5 years.

4. Fixed assets and depreciation / amortization

Fixed Assets (Gross Block) are stated at historical cost less accumulated depreciation. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Building/specific identifiable portion of Building, including related equipments are capitalized when the construction is substantially complete or upon receipt of the occupancy certificate, whichever is earlier. Depreciation on assets is provided on straight-line method at the rates and in the manner prescribed in schedule II to the Companies Act, 2013.

5. Investments

Current investments are stated at lower of cost and fair value. Long-term investments are stated at cost and provision for diminution in value, other than temporary, is considered wherever necessary. Profit / loss on sale of investments is computed with reference to the average cost of the investment.

6. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company the revenue can be reliably measured on mercantile basis.

7. Borrowing costs

Borrowing costs that are attributable to the acquisition and / or construction of qualifying assets are capitalized as part of the cost of such assets, in accordance with Accounting Standard AS-16 - "Borrowing Costs". A qualifying asset is one that necessarily takes a substantial period to get ready for its intended use. Capitalisation of Borrowing Costs is suspended in the period during which the active development is delayed due to, other than temporary interruption. All other borrowing costs are charged to the profit & loss account as incurred.

8. Taxation

Provision for tax for the year comprises current income tax and deferred tax. Current income tax is determined in respect of taxable income with deferred tax being determined as the tax effect of timing differences representing the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period(s). Such deferred tax is quantified using rates and laws enacted or substantively enacted as at the end of the financial year.

9. Foreign currency transactions

Transactions in foreign currency and nonmonetary assets are accounted for at the exchange rate prevailing on the date of the transaction. All monetary items denominated in foreign currency are converted at the yearend exchange rate. As specified under Accounting Standard (AS-11) - Effects of Changes in Foreign Exchange Rates, the exchange gain/loss on transaction with regard to the Fixed Assets has been capitalized along with Fixed Assets. The other exchange gains related to current assets has been charged to the profit & loss account

10. Employees benefits

Expenses and liabilities in respect of employee benefits are recorded in accordance with Revised Accounting Standard 15 - Employee Benefits (Revised 2005) issued by the Institute of Chartered Accountants of India (the "ICAI").

(i) Provident fund

The Company makes contribution to statutory provident fund in compliance with the Employees Provident Fund and Miscellaneous Provision Act, 1952. In terms of the Guidance on implementing the revised AS - 15, issued by the Accounting Standard Board of the ICAI, contribution made towards statutory provident fund is treated as a defined benefit plan. Accordingly, the contribution paid or payable and the interest shortfall, if any, is recognized as an expense in the period in which services are rendered by the employee.

(ii) Gratuity

Gratuity is a post employment benefit and is in the nature of a defined benefit plan. The liability recognized in the balance sheet in respect of gratuity is the present value of the defined benefit / obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognized actuarial gains or losses and past service costs. The defined benefit / obligation is provided at or near the balance sheet date by an independent actuary using the projected unit credit method. Actuarial gains and losses arising from past experience and changes in actuarial assumptions are credited or charged to the profit & loss account in the year in which such gains or losses are determined.

(iii) Compensated absences

Liability in respect of compensated absences becoming due or expected to be availed within one year from the balance sheet date is recognized on the basis of undiscounted value of estimated amount required to be paid or estimated value of benefit expected to be availed by the employees.

(iv) Other short-term benefits

Expense in respect of other short-term benefits is recognized on the basis of the amount paid or payable for the period during which services are rendered by the employee.

11. Leases

Assets subject to operating leases are included under fixed assets or current assets as appropriate. Rent (Lease) income is recognized in the profit & loss account on a straight-line basis over the lease term. Costs, including depreciation, are recognized as an expense in the profit & loss account.

12. Impairment of assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognized in the profit & loss account. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is re assessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost and is accordingly reversed in the profit & loss account.

13. Provisions, Contingent Liabilities & Contingent Assets:

Depending upon the facts of each case and after due evaluation of legal aspects, claims against the Company are accounted for as either provisions or disclosed as contingent liabilities. In respect of statutory dues disputed and contested by the Company, contingent liabilities are provided for and disclosed as per original demand without taking into account any interest or penalty that may accrue thereafter. The Company makes a provision when there is a present obligation as a result of a past event where the outflow of economic resources is probable and a reliable estimate of the amount of obligation can be made. Possible future or present obligations that may but will probably not require outflow of resources or where the same cannot be reliably estimated, is disclosed as contingent liability in the Financial Statements. Contingent Assets are neither recognized or nor disclosed in the financial statements.

14. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for events including a bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares). For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

Citiport Financial Services Limited

H No 64 & 71(O), 255 & 256(N), Flat No 5C, Doyen Habitat, Srinagar Colony, Hyderabad-500073

CIN : L65991TG1992PLC065867

Notes forming part of Consolidated Financial Statements As At 31.03.2019

| Note No. | Particulars | FY 2018-19 | FY 2017-18 |
|-----------|---|---------------|---------------|
| 28 | Note: Auditors Remuneration | | |
| | Payments to Auditors comprises: | | |
| | As Auditors - Statutory Audit | 53,100 | 60,075 |
| | For taxation matters | 17,700 | 20,025 |
| | For company law matters | - | - |
| | For management services | - | - |
| | For other services | - | - |
| | Reimbursement of Expenses | - | - |
| | Total | 70,800 | 80,100 |
| 29 | Note: Deferred Tax Liability / (Asset) : | | |
| | On account of | | |
| | Depreciation and Amortisation | 240 | 210 |
| | Total | 240 | 210 |
| 30 | Note: Earnings Per Share | | |
| | The Calculation of Earnings Per Share (EPS) as disclosed in the Profit and Loss Account has been made in accordance with Accounting Standard (AS - 20) on Earnings Per Share issued by the Institute of Chartered Accountants of India. A statement on calculation of | | |
| | Basic and diluted EPS is as under: | | |
| | Profit after Tax (INR) | 14,377 | (90,353) |
| | Number of equity shares (in Nos) | 3,100,000 | 3,100,000 |
| | Earnings per share (INR) | 0.01 | (0.03) |
| | Face Value per Equity Share (INR) | 10.00 | 10.00 |
| 31 | Note: Tax Expense | | |
| | The Tax Expenses for the year comprises of; | | |
| | Income Tax | 5,997 | - |
| | Current Period | 5,997 | - |
| | Prior Period* | - | - |
| | Deferred Tax | 240 | 210 |
| | Provision for tax for the year comprises current income tax and deferred tax. Current income tax is determined in respect of taxable income with deferred tax being determined as the tax effect of timing differences representing the difference between taxable income and accounting income that originate in one period, and are capable of reversal in one or more subsequent period(s). Such deferred tax is quantified using rates and laws enacted or substantively enacted as at the end of the financial year. | | |

Notes forming part of Standalone Financial Statements As At 31.03.2019

(INR)

| Note No. | Particulars | FY 2018-19 | FY 2017-18 |
|-----------|---|------------|------------|
| 32 | Note: Details of Leasing Arrangements | | |
| | The company has entered into operating lease arrangements for its Regd. Office premises: | | |
| | Future minimum lease payments | | |
| | not later than one year | 96,000.00 | 72,000 |
| | later than one year and not later than five years | - | - |
| | later than five years | - | - |
| | The future minimum lease rental obligation under non-cancellable operating leases in respect of these assets is on account of lock-in period and notice period in some of the lease agreements entered by the company for operating of showrooms: | | |
| | On account of Lock-in Period | - | - |
| | On account of Notice Period | - | - |
| 33 | Note: Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 | | |
| | (i) Principal amount remaining unpaid to any supplier as at the end of the accounting year | - | - |
| | (ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year | - | - |
| | (iii) The amount of interest paid along with the amounts of the payment made to the supplier "beyond the appointed day" | - | - |
| | (iv) The amount of interest due and payable for the year | - | - |
| | (v) The amount of interest accrued and remaining unpaid at the end of the accounting year" | - | - |
| | (vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid | - | - |
| | Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors. | | |
| 34 | Note: Earnings in foreign currency | Nil | Nil |
| 35 | Note: Expenditure in foreign currency | Nil | Nil |

Citiport Financial Services Limited

H No 64 & 71(O), 255 & 256(N), Flat No 5C, Doyen Habitat, Srinagar Colony, Hyderabad-500073

CIN : L65991TG1992PLC065867

Notes forming part of Consolidated Financial Statements As At 31.03.2019

Note No. 36 : Related Party Disclosures

| S.No | Name of the Related Party | Nature of Relationship |
|------|--|--|
| 1 | Enjamuri Pardha Saradhi | Key Management Personnel |
| 2 | Prattipati Parthasarathi | Key Management Personnel |
| 3 | Ratan Kishan Musnuru | Key Management Personnel |
| 4 | Dhanushree Guddep | Key Management Personnel |
| 5 | Mallikarjunrao Yetukuri | Key Management Personnel |
| 6 | Rajasekhar Katta | Key Management Personnel |
| 7 | Golden Valley Holdings Private Limited | Enterprises own or significantly influenced by Key Management Personnel or their relatives |
| 8 | Green Fire Agri Commodities Limited | |
| 9 | Nakshatra Organics Private Limited | |
| 10 | DPK Agro Farms Private Limited | |
| 11 | Trinox Infrastructure and Developers Pvt Ltd | |

Transactions with Related Parties:

| S.No. | Nature of Transaction | FY 2018-19 | | | FY 2017-18 | | |
|-------|-----------------------------|------------|-----|---------|------------|-----|---------|
| | | Associates | KMP | Total | Associates | KMP | Total |
| 1 | Remuneration | - | - | - | - | - | - |
| 2 | Interest Income | 122,147 | - | 122,147 | 171,915 | - | 171,915 |
| 3 | Short Term Loans & Advances | - | - | - | - | - | - |

Balances with Related Parties As At 31.03.2019 :

| S.No. | Nature of Transaction | FY 2018-19 | | | FY 2017-18 | | |
|-------|-----------------------------|------------|-----|-------|------------|-----|-----------|
| | | Associates | KMP | Total | Associates | KMP | Total |
| 1 | Short Term Loans & Advances | - | - | - | 1,447,322 | - | 1,447,322 |
| 2 | Long Term Borrowings | - | - | - | - | - | - |

Citiport Financial Services Limited

H No 64 & 71(O), 255 & 256(N), Flat No 5C, Doyen Habitat, Srinagar Colony, Hyderabad-500073

CIN : L65991TG1992PLC065867

Notes forming part of Consolidated Financial Statements As At 31.03.2019

Note No. 37 : Details of provisions

The Company has made provision for various contractual obligations and disputed liabilities based on its assessment of the amount it estimates to incur to meet such obligations, details of which are given below:

| S. No. | Particulars | As At 01.04.2018 | Additions | Utilisation | Reversal | As At 31.03.2019 (Consolidated) |
|--------|--|---------------------|--------------|--------------|--------------|---------------------------------------|
| 1 | Provision for warranty | Nil (Nil) | Nil (Nil) | Nil (Nil) | Nil (Nil) | Nil (Nil) |
| 2 | "Provision for estimated losses on onerous | Nil (Nil) | Nil (Nil) | Nil (Nil) | Nil (Nil) | Nil (Nil) |
| 3 | Provision for other contingencies (give details) | Nil (Nil) | Nil (Nil) | Nil (Nil) | Nil (Nil) | Nil (Nil) |
| | Total | Nil (Nil) | Nil (Nil) | Nil (Nil) | Nil (Nil) | Nil (Nil) |

Of the above, the following amounts are expected to be incurred within a year:

| S.No. | Particulars | As At 31.03.2019 (Consolidated) | As At 31.03.2018 (Consolidated) |
|-------|--|---------------------------------------|---------------------------------------|
| 1 | Provision for warranty | Nil | Nil |
| 2 | Provision for estimated losses on onerous | Nil | Nil |
| 3 | Provision for other contingencies (give details) | Nil | Nil |

Citiport Financial Services Limited

H No 64 & 71(O), 255 & 256(N), Flat No 5C, Doyen Habitat, Srinagar Colony, Hyderabad-500073

CIN : L65991TG1992PLC065867**Notes forming part of Consolidated Financial Statements As At 31.03.2019**

| Note No. | Particulars |
|-----------------|--|
| 38 | <p>Note: Segment Reporting The company's operations consist one line of activity year by year. The Company is primarily operating in India which is considered as a single geographical segment. Hence there are no reportable segments under Accounting Standard – 17, issued by Institute of Chartered Accountants of India, during the year under report. The conditions prevailing in India being uniform, no separate geographical disclosures are considered necessary.</p> |
| 39 | <p>Note: Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is: Nil (Nil)</p> |
| 40 | <p>Note: In the opinion of the Board, current assets, loans and advances are stated at a value which could be realized in the ordinary course of business. The provision for all known liabilities made is adequate and not in excess of the amount reasonably necessary.</p> |
| 41 | <p>Note: Additional information pursuant to Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 is annexed.</p> |

As per the report of even date attached
For NSVR & Associates LLP
 Chartered Accountants
 Firm Regn. No.008801S/S200060

For and On behalf of the Board
Citiport Financial services limited

Sd/-
R.Srinivasu
 Partner
 Membership No.224033

Sd/-
Enjamuri Pardha Saradhi
 Managing Director
 DIN : 07531047

Sd/-
PRATHIPATI PARTHASARATHI
 Director
 DIN: 00004936

Sd/-
RAJA SEKHAR KATTA
 Chief Financial Officer

Sd/-
RAMACHANDER RAO DESHARAJU
 Company secretary

Place: Hyderabad
 Date: 28.05.2019

ATTENDANCE SLIP FOR ANNUAL GENERAL MEETING

(To be surrendered at the venue of the meeting)

I certify that I am a registered shareholder/proxy/representative for the registered shareholder(s) of **CITI PORT FINANCIAL SERVICES LIMITED**.

I hereby record my presence at the 27th Annual General Meeting of the shareholders of **CITI PORT FINANCIAL SERVICES LIMITED** on Thursday 26th September, 2019 at 12.00 P.M. Hotel Inner Circle, Raj Bhavan Road, Somajiguda, Hyderabad-500073.

| | |
|------------|---------------|
| DP ID* | Reg.folio no. |
| Client ID* | No of shres |

*Applicable if shares are held in electronic form

Name and Address of Member

Signature of Shareholder/ Proxy/
Representative (Please Specify)

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**Form No. MGT-11
Proxy form**

**[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the
Companies (Management and Administration) Rules, 2014]**

| | | | |
|---------------------|---|---------|--|
| CIN | L65991TG1992PLC065867 | | |
| Name of the Company | CITI PORT FINANCIAL SERVICES LIMITED | | |
| Registered Office | H No. 64&71(O), 255 & 256 (N) Flat No 5c, 5th Floor, Doyen Habitat, Srinagar Colony Hyderabad Telangana-500073 | | |
| Name of the Member | | | |
| Registered Address | | | |
| Email ID | | | |
| Folio No/ Client ID | | DP ID.: | |

I/We, being the member(s) of _____ shares of the above named company, hereby appoint

| | | | |
|---|----------------|-----------|--|
| 1 | Name: | | |
| | Address | | |
| | Email ID | Signature | |
| | Or failing him | | |
| 2 | Name: | | |
| | Address | | |
| | Email ID | Signature | |
| | Or failing him | | |

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 27th Annual general meeting of the company, to be held on the Thursday 26th September, 2019 at 12.00 P.M. Hotel Inner Circle, Raj Bhavan Road, Somajiguda, Hyderabad-500073. and at any adjournment thereof in respect of such resolutions as are indicated below:

| Sl.No | Resolutions | For | Against |
|-------|--|-----|---------|
| 1 | Consider and adopt audited financial statements , reports of the board of Directors and Auditors | | |
| 2 | Re-appointment of Mrs. Dhanushree Gudeep (DIN: 07594487) as Director who retires by rotation. | | |
| 3. | Re appointment of Mr. Enjamuri Pardha Saradhi as the Managing Director of the company | | |
| 4. | Appointment of Mr. Parthasarathi Prathipati (DIN:00004936) as an Independent Director of the Company for a second term of five consecutive years | | |

Affix
Revenue
Stamp

Signed this ___ day of _____.

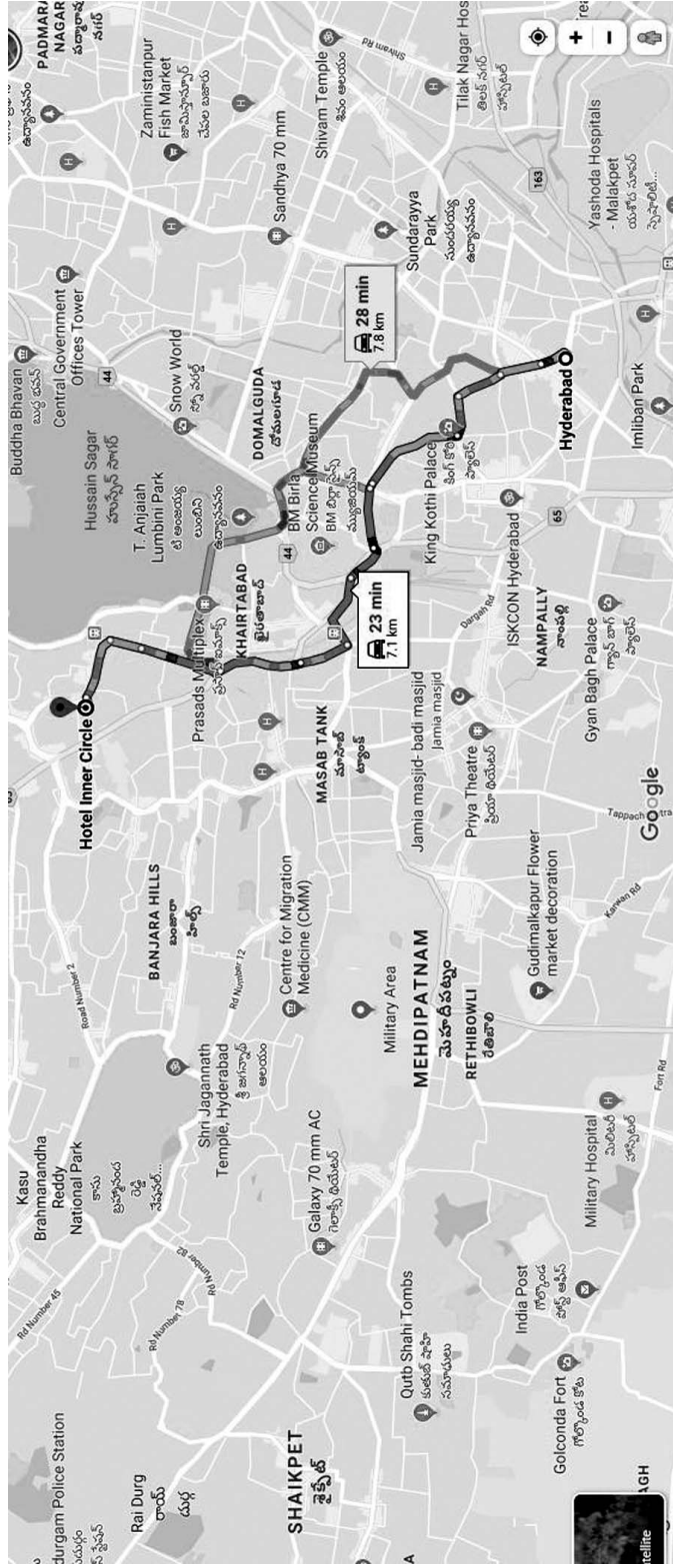
Signature of shareholder:

Signature of Proxy holder(s):

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

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ROUTE MAP



CITI PORT FINANCIAL SERVICES LIMITED

if undelivered please return to :

REGISTERED OFFICE

H.No. 64 & 71(O), 255 & 256 (N) Flat No 5c,
5th Floor, Doyen Habitat,
Srinagar Colony Hyderabad
Telangana-500073