

25TH
ANNUAL REPORT
2016 -2017



CITI PORT FINANCIAL SERVICES LIMITED

25TH ANNUAL GENERAL MEETING

Wednesday, 27th Day of September, 2017

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

STATUTORY AUDITORS

M/s. G.V. & CO
Vani Nagar,
Malkajgiri, Hyderabad

INTERNAL AUDITOR

VNS SRINIVAS RAO
Chartered accountant
Hyderabad

SECRETARIAL CONSULTANTS

M/s P S RAO & ASSOCIATES
Company Secretaries
Hyderabad

REGISTERED OFFICE

House No.8-3-678/42/5,
Flat no.306, 3rd Floor,
Santosh Manor,
Navodaya Colony,
Yellareddyguda, Hyderabad-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 25th Annual General Meeting of the members of the Company will be held at the Registered Office of the Company at Hotel Inner Circle, Raj Bhavan Road, Somajiguda, Hyderabad-500073 on Wednesday, 27th September, 2017 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, 2017 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 Mr. Enjamuri Pardha Saradhi (DIN: 07531047) who retires by rotation, being eligible offers herself for re-appointment.
3. To ratify the appointment of M/s. G.V & Co., chartered accountants (Firm Registration No. 012875S) as statutory auditors and, if thought fit, to pass with or without modification(s) the following resolution as Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 139 read with the Companies (Audit and Auditors) Rules 2014 and all other applicable provisions, if any, of the Companies Act, 2013, the company hereby ratifies the appointment of M/s. G.V & Co., Chartered Accountant, Hyderabad (Registration No. 012875S) as the Statutory Auditors of the Company to hold the office till the conclusion of 27th Annual general meeting, and the Board of Directors be and hereby authorized to fix the remuneration, in addition to reimbursement of all out of pocket expenses in connection with the audit of the accounts of the Company for the financial year ending 31st March, 2018."

By order of the Board
For CITI PORT FINANCIAL SERVICES LIMITED

sd/-
Enjamuri Pardha Saradhi
Managing Director
(DIN: 07531047)

Place: Hyderabad
Date: 24th August, 2017

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS / HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this Report. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.
2. Corporate Members intending to send their authorized representatives to attend the meeting are requested to send to the company a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the meeting
3. The Register of members and share transfer books of Company shall remain closed from **Thursday, 21st September, 2017 To wednesday, 27th September, 2017 (both days inclusive)** for the purpose of ensuing Annual General Meeting.
4. Members are requested to notify any change in their addresses to the Company immediately.
5. Members desirous of obtaining any information on the Annual Accounts of the Company are requested to write to the Company at least 7 working days before the date of the meeting to enable the Company for compilation of the required information.
6. Members are requested to notify immediately any change of address to their Depository Participants (DPs) in respect of their holdings in electronic form and also in respect of their physical share folios, if any to M/s. Bigshare Services Private Limited, Flat No. 306, Right Wing, 3rd Floor, Amrutha Ville Apt.,

Opp: Yashodha Hospital, Somajiguda, Rajbhavan Road, Hyderabad-500082

7. Voting through electronic means

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 25th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Service (India) Limited (CDSL):

The Members whose names appear in the Register of Members / List of Beneficial Owners as on 20th September, 2017 (cut-off date), are entitled to vote on the resolutions set forth in this Notice.

The e-voting period will commence on Sunday, 24th September, 2017 (09:00 hrs) and will end on Tuesday, 26th September, 2017 (17:00 hrs).

During this period, shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Members will not be able to cast their votes electronically beyond the date & time mentioned above.

The login ID and password for e-voting along with process, manner and instructions for e-voting is being attached in the Annual Report.

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 in a fair and transparent manner.

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

Name of the Directors	Mr. Mr. Enjamuri Pardha Saradhi
Date of first appointment	30/05/2016
Date of birth/age	01/07/1951
Expertise in specific functional areas	Vast Experience In Administrative Wing
Educational qualification	Graduation
Chairman/member of the committees of board of Directors of the company	NIL
List of Directorships, Committee Chairmanship, Membership held in other companies as on Date excluding Private limited Companies	NIL

DIRECTOR'S REPORT

To
The Members,

Your Directors have pleasure in presenting the 25th Annual Report together with the Audited Accounts of the Company for the year ended 31st March 2017

FINANCIAL RESULTS:**(Rs In Millions)**

PARTICULARS	YEAR ENDED 31.03.2017	YEAR ENDED 31.03.2016
Sales (Excl. Duties and Taxes)	1.71	1.73
Other Income	0.02	-
Total Income	1.73	1.73
Total Expenditure	(1.86)	(1.60)
Interest	0.09	0.0003
Profit Before Depreciation and Taxation	(0.03)	(0.19)
Depreciation	0.003	0.003
Profit Before Tax	(0.12)	(0.13)
Exceptional Items	-	2.5
Tax	(0.19)	(0.001)
Net Profit / (Loss)	(0.32)	(2.37)

COMPANY PERFORMANCE:

During the financial year under review, your Company has achieved total income of Rs. 1.73 million as against the previous year income of Rs. 1.73 million and recorded net loss of Rs.0.32 millions for financial year 2016-17 when compared to a net loss of Rs. 2.37 million during the previous year.

The Company is hopeful that this fiscal the economy will witness upward trend and good business and will experience a significant growth and profitability this year. However things are restoring to normalcy and the industry is recovering from the depression and your company would do better in the years to come.

SHARE CAPITAL :

The paid up equity share capital of the Company as on 31st March, 2017, 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 2016-2017 as the company has incurred loss from the business operations.

FIXED 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 the its member and public during the Financial Year.

PARTICULARS OF LOANS, GUARANTEES OR 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, five board meetings were held on 30.05.2016, 12.08.2016, 23.08.2016 11.11.2016, 13.02.2017, 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 13th February 2017 to evaluate the performance evaluation of the Chairman, the Non Independent Directors, the Board and flow of information from management.

DIRECTORS:

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Enjamuri Pardha Saradhi DIN: 07531047) retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment

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 2016-17 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 2016-17 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. G.V& Co, (FRN No. : 012875S) Chartered Accountant, Hyderabad, appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of 27th Annual General Meeting subject to the ratification of shareholders at every Annual General Meeting at such remuneration as decided by the Board. The Company is in receipt of confirmation from the Statutory Auditor that in the event of his re-appointment as Statutory Auditor at the ensuing Annual General Meeting, such appointment will be in accordance with the limits specified in Section 141 of the Companies Act, 2013.

Hence the above resolution is placed before the members for ratification of the appointment of the statutory auditors of the Company.

The Notes on Financial Statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments. There are no qualifications in the report of the statutory auditors for the year 2016-17

INTERNAL AUDITOR:

The Board of Directors based on the recommendation of the Audit Committee has re-appointed M/s.VNS Srinivas, 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

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

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 C**' 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 D**' 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-E**. 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
For CITI PORT FINANCIAL SERVICES LIMITED

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

Sd/-
Parthasarathi Prattipati
Director
(DIN : 00004936)

Place: Hyderabad
Date: 24th August, 2017

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

COMPANY OUTLOOK

The company has a loss during the financial year 2016-17. However, it has made loss during the financial year under review due to the economy downtrend which adversely affected financial and banking sector. 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, 2017
[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, 2017 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, 2017 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, 2016;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (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; (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 (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. mentioned above subject to the following observations:

* The Company is yet to appoint Company Secretary.

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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- ❖ 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: 24th August, 2017

Annexure C

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, 2017, 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, 2017 are as follows:

Name of The Related Party	Nature of Relationship	Nature of The Contract	Monetary Value Per Financial Year
	Associates	Interest Income	1,74,001

Place: Hyderabad
Date: 24th August 2017

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

FormNo.MGT-9

**EXTRACT OF ANNUAL RETURN AS
ON THE FINANCIAL YEAR ENDED ON 31st MARCH 2017**
[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	CITI PORT FINANCIAL SERVICES LIMITED
Category/Sub-Category of the Company	Public Company/ Limited by Shares
Address of the Registered office and contact details	House No.8-3-678/42/5, Flat No. :306, 3rd Floor, Santosh Manor, Navodaya Colony, Yellareddyguda, Hyderabad - 500073
Whether listed company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s. Bigshare Services Private Limited, Flat No. 306, right wing, 3rd 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.	Goldenvally Holding Pvt. 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	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year theyear				% Change during
	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									
NRI-Individuals									
Other-Individuals									
Bodies Corp.									
Banks / FI									
Any Other....	0	0	0	0	0	0	0	0	0
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									
FIs									
Foreign Venture Capital Funds									
Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total(B)(1)	0	0	0	0	0	0	0	0	0
2. Non Institutions									
Bodies Corp.	2628	611200	613828	19.80	945	611200	612145	19.75	-0.05
(i) Indian									
(ii) Overseas									
Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 2 lakhs	208761	293595	502356	16.21	210944	293095	504039	16.26	0.05
(ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakhs	106100	978400	1084500	34.98	106100	978400	1084500	34.98	0
Others (NRI)	12	0	12	0	12	0	12	0	0
Sub-total(B)(2)	317501	1885823	2200696	70.99	318001	1882695	2200696	70.99	0
Total Public Shareholding (B)=(B)(1)+ (B)(2)	317501	1885823	2200696	70.99	318001	1882695	2200696	70.99	0
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	1216805	1885823	3100000	100.00	1217305	1882695	3100000	100	0

B. Shareholdings of Promoters:

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	%of total Shares of the company	%of Shares Pledged/ encumbered to total	No of Shares	% of total Shares of the company	% of Shares Pledges/ encumbered to total shares	
1	Goldenvelly Holdings Private Limited	899304	29.01	0.00	899304	29.01	0.00	Nil

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

SN	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 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):

Sl. No	Name	Shareholding		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the year (01-04-16 to 31-03-17)	
		No. of Shares at the beginning (01-04-16)/ end of the year (31-03-17)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	GINZA COMMUNICATION PRIVATE LIMITED	307600	9.92	01.04.2016		Nil Movement during the year		
					0			
		307600	9.92	31.03.2017				
2	MITHUL INVESTMENT PRIVATE LIMITED	242200	7.81	01.04.2016		Nil Movement during the year		
					0			
		242200	7.81	31.03.2017				
3	MUSUNURU NAGA SWARNA	136100	4.39	01.04.2016		Nil Movement during the year		
		136100	4.39	31.03.2017				
4	PRAKASH RAO	100000	3.23	01.04.2016		Nil Movement during the year		
					0			
		100000	3.23	31.03.2017				
5	G BHAGAT	75000	2.42	01.04.2016		Nil Movement during the year		
					0			
		75000	2.42	31.03.2017				

6	PADMAJA RANI POTHANA	74800	2.41	01.04.2016		Nil Movement during the year		
					0			
		74800	2.41	31.03.2017				
7	NAGABHARGAVI PENDYALA	52600	1.70	01.04.2016		Nil Movement during the year		
					0			
		52600	1.70	31.03.2017				
8	K. RAJASHEKER	50000	1.61	01.04.2016		Nil Movement during the year		
					0			
		50000	1.61	31.03.2017				
9	RAMAKRISHNA RAO B	50000	1.61	01.04.2016		Nil Movement during the year		
					0			
		50000	1.61	31.03.2017				
10	NAGARJUNA MOVVA	50000	1.61	01.04.2016		Nil Movement during the year		
					0			
		50000	1.61	31.03.2017				

E. Shareholding of Directors and Key Managerial Personnel:

Sl. No	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-16 to 31-03-17)	
		No. of Shares at the beginning (01-04-16)/ end of the year (31-03-17)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	Enjamuri Pardha Saradhi	0	0		Nil		0	0
2	Ratan Kishan Musurnur	250	0.00		Nil		250	0
3	Dhanushree Guddep	0	0	NIL	Nil		0	0
4	Partha sarathi Prattipati	250	0.00		Nil		250	0
5	Yetukuri Mallikarjunrao	0	0		Nil		0	0

V) 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)				

NIL

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

SN.	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 % 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		NIL
	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				NIL
	(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							

NIL

**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 2016-17 and Ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year 2016-17:

Name of the Director/ Key Managerial Personnel financial year 2016-17	Remuneration of Director KMP for the financial year 2016-17	% increase in Remuneration in the of the employees	Ratio of the remuneration to the median remuneration
-	Nil	Nil	-

Note: The median remuneration of employees of the Company during the financial year was Rs.93000/-

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: 9

(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 2016-17 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 : 24th August 2017

Independent Auditors' 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 Company'), which comprise the balance sheet as at 31 March 2017, 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 Standalone 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 standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 31 March 2017 and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
 - (d) in our opinion, the aforesaid 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 as on 31 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164(2) of the Act;
 - (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; 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 Company does not have any pending litigations which would impact its financial position..
 - ii) the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii) there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company

- iv) The Company has provided requisite disclosures in the standalone financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated 8th November 2016 of the Ministry of Finance, during the period from 08.11.2016 to 30.12.2016. Based on audit procedures performed and the representations provided to us by the management, we report that the disclosures are in accordance with the books of account maintained by the company and as produced to us by the Management.

For GV & Co.,
Chartered Accountants

Sd/-
GrandhiVittal
Proprietor
M.No. 206462
Firm Regn No. 012875S

Place : Hyderabad
Date : 30th May'2017

Annexure to Independent Auditor's Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2017, we report that:

- (i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) These fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification and the same have been properly dealt with in the books of account;.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no immovable properties are held in the name of the Company.
- (ii) The Company is a Non Banking Finance Company, primarily in Lending Activity. Accordingly, It does not hold the physical inventories. Thus, Paragraph 3(ii) of the order is not applicable to the Company.
- (iii) a) In our opinion, the rate of interest and other terms and conditions on which the loans, secured or unsecured, had been granted to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013, were not, prima facie, prejudicial to the interest of the company.
- b) In case of loans granted to companies, firms, Limited Liability Partnerships or other parties listed in the register maintained under section 189 of the Act, the borrowers have been regular in the payment of interest as stipulated.
- c) There are no overdue amounts in respect of the loans granted to companies, firms, Limited Liability Partnerships or other parties listed in the register maintained under section 189 of the Companies Act, 2013 (The Act).
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans, investments, guarantee and security made.
- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted deposits from the public during the year. Therefore the provisions of Clause 3 (v) of the Order are not applicable to the Company.
- (vi) The maintenance of cost records has not been prescribed by the Central Government under section 148(1) of the Companies Act, 2013 in respect of the Company's operations. Therefore the provisions of Clause 3 (vi) of the Order are not applicable to the Company.

- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employee state insurance, income-tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employee state insurance, income-tax, sales tax, value added tax, duty of customs, duty of excise, service tax, cess and other material statutory dues were in arrears as at 31 March 2017 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no material statutory dues including income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues pending for deposit with the appropriate authorities on account of any dispute.
- (viii) Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions, banks and debenture holders.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Therefore the provisions of Clause 3(ix) of the Order are not applicable to the company.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of preference shares or fully or partly convertible debentures during the year.

- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is registered as Non Banking Financial Institution with out accepting public deposits as required under section 45-IA of the Reserve Bank of India Act 1934.

For GV & Co.,
Chartered Accountants

Sd/-
GrandhiVittal
Proprietor
M.No. 206462
Firm Regn No. 012875S

Place : Hyderabad
Date : 30th May'2017.

Annexure - B 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")

We have audited the internal financial controls over financial reporting of M/s Citiport Financial Services Limited ("the Company") as of 31 March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, 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 GV & Co.,
Chartered Accountants

Sd/-
GrandhiVittal
Proprietor
M.No. 206462
Firm Regn No. 012875S

Place : Hyderabad
Date : 30th May/2017

BALANCE SHEET AS ON 31ST MARCH, 2017

(INR)

Particulars	Note No.	As At 31.03.2017	As At 31.03.2016
A Equity and Liabilities:			
Shareholders funds			
(a) God Account		22	22
(b) Share Capital	1	3,10,00,000	3,10,00,000
(c) Reserves and Surplus	2	(8,52,930)	(5,30,738)
(d) Money Received against Share Warrants		-	-
Share application money pending allotment	3	-	-
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	4,25,928	3,47,951
(d) Short-term provisions	10	4,11,439	3,35,852
TOTAL		3,09,84,459	3,11,53,087
Assets:			
Non-current assets			
(a) Fixed assets			
(i) Tangible assets	11	20,366	23,682
(ii) Intangible assets			
(iii) Capital work - in - progress			
(iv) Intangible assets under development			
(b) Non-current Investments	12	97,45,000	97,45,000
(c) Deferred tax assets (net)	29	3,840	3,000
(d) Long- term loans and advances	13	3,12,063	5,11,430
(e) Other non-current assets	14	-	-
Current assets			
(a) Current Investments		-	-
(b) Inventories	15	-	-
(c) Trade Receivable	16	-	-
(d) Cash and Bank balances	17	2,36,582	16,16,556
(e) Short -term loans and advances	18	2,06,66,608	1,92,53,419
(f) Other current assets	19	-	-
TOTAL		3,09,84,459	3,11,53,087
Accounting Policies & Other relevant Notes	27 to 43		

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

As per the report of even date attached

For G.V & Co.,

Chartered Accountants

Sd/-

(Grandhi Vittal)

Proprietor

Membership No.206462

Firm Regn No. : 012875S

Place : Hyderabad

Date : 30.05.2017

For and on behalf of the Board

Sd/-

ENJAMURI PARDHA SARADHI

Managing Director

(DIN : 07531047)

Sd/-

PARTHASARATHI PRATTIPATI

Director

(DIN : 00004936)

STATEMENT PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

(INR)

S. No.	Particulars	Note No	For the Year ended 31.03.2017	For the Year ended 31.03.2016
A	Continuing Operations:			
1	Revenue from operations	20	17,06,068	17,35,392
	Less: Excise Duty		-	-
	Revenue from operations (net)		17,06,068	17,35,392
2	Other income	21	29,152	-
3	Total Revenue (1 + 2)		17,35,220	17,35,392
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	8,16,976	7,02,774
	Other Expenses	25	8,83,106	8,38,323
	Total		17,00,082	15,41,097
5	Earnings before exceptional and extra ordinary items, interest, tax, depreciation and amortisation (EBITDA) (3 - 4)		35,138	1,94,295
6	Finance Costs	26	1,57,625	58,094
7	Depreciation and amortisation expense	11	3,316	3,316
8	Profit / (Loss) before exceptional and extraordinary items and tax (5 - 6 - 7)		(1,25,803)	1,32,885
9	Exceptional Items			25,00,000
10	Profit / (Loss) before extraordinary items and tax (8 - 9)		(1,25,803)	(23,67,115)
11	Extraordinary items		-	-
12	Profit / (Loss) before tax (10 - 11)		(1,25,803)	(23,67,115)
13	Tax Expense:			
	- Income Tax		1,97,229	-
	Current Period		9,582	
	Prior Period		1,87,647	
	- Deferred Tax		(840)	1,350
14	Profit / (Loss) for the period from continuing operations (12 - 13)		(3,22,192)	(23,68,465)
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 (14 + 17)		(3,22,192)	(23,68,465)
19	Earnings per equity share:			
	- Basic		(0.10)	(0.76)
	- Diluted		(0.10)	(0.76)

Accounting Policies & Other relevant Notes

27 to 43

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

As per the report of even date attached

For G.V & Co.,

Chartered Accountants

Sd/-

(Grandhi Vittal)

Proprietor

Membership No.206462

Firm Regn No. : 0128755

Place : Hyderabad

Date : 30.05.2017

For and on behalf of the Board

Sd/-

ENJAMURI PARDHA SARADHI

Managing Director

(DIN : 07531047)

Sd/-

PARTHASARATHI PRATTIPATI

Director

(DIN : 00004936)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

(Pursuant to clause 32 of Listing Agreement as amended)

(INR)

Particulars	For the Year ended 31.03.2017	For the Year ended 31.03.2016
A. Cash flow from Operating activities		
Net Profit before tax as per Profit and loss account	(1,25,803)	(23,67,115)
Adjustments		
(Profit) / Loss on sale of fixed assets (net)	-	-
(Profit) / Loss on sale of investments (net)	-	-
Investments Written Off	-	25,00,000
Depreciation and Amortisation Expense	3,316	3,316
Preliminary Expenditure Written Off	-	-
Interest Income	-	-
Dividend income	-	-
Finance Costs	1,57,625	58,094
	<u>35,138</u>	<u>1,94,295</u>
(Increase)/Decrease in Trade and Other Receivables	-	-
Increase/(Decrease) in Trade Payables	-	-
(Increase)/Decrease in Inventories	-	-
Changes in Short Term Loans & Advances	(14,13,189)	5,77,668
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.	(43,665)	1,04,538
Increase/(Decrease) in Other Long Term Liab. / Long Term Prov.	-	-
Cash generated from Operations	<u>(14,21,716)</u>	<u>8,76,501</u>
Direct Taxes paid	-	-
Net Cash from Operating activities	<u>(14,21,716)</u>	<u>8,76,501</u>
B. Cash flow from Investing Activities		
(Purchase) / Sale of Fixed Assets (Net)	-	-
Capital Work-in-progress	-	-
(Purchase) / Sale of Investments (Net)	-	(97,45,000)
Changes in Long Term Loans & Advances	1,99,367	95,72,406
Changes in Other Non current Assets	-	30,000
Interest Income	-	-
Dividend income	-	-
Cash flow before exceptional items	<u>1,99,367</u>	<u>(1,42,594)</u>
Exceptional Items	-	-
Net Cash from Investment Activities	<u>1,99,367</u>	<u>(1,42,594)</u>
C. Cash Flow from Financing Activities		
Proceeds from issue of Share Capital/ Share Application Money	-	-
Proceeds / (Repayment) from Borrowings	-	-
Finance Costs	(1,57,625)	(58,094)
Dividends Paid	-	-
Dividend tax paid	-	-
Effect of Exchange Rate change	-	-
Net cash used in financing activities	<u>(1,57,625)</u>	<u>(58,094)</u>
Net (Decrease) / Increase in cash and cash equivalents	(13,79,974)	6,75,813
Cash and cash equivalents at the beginning of the year	16,16,556	9,40,743
Cash and Cash equivalents at the end of the year	2,36,582	16,16,556
Short Term Bank Deposits	-	-
Cash and Bank Balances at the end of the year	2,36,582	16,16,556

-
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 G.V & Co.,
Chartered Accountants

Sd/-
(Grandhi Vittal)
Proprietor
Membership No. 206462
Firm Regn No. : 012875S

For and on behalf of the Board

Sd/-
ENJAMURI PARDHA SARADHI
Managing Director
(DIN : 07531047)

Sd/-
PARTHASARATHI PRATTIPATI
Director
(DIN : 00004936)

Place : Hyderabad
Date : 30.05.2017

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT 31.03.2017

(INR)

Note No. 1 : SHARE CAPITAL

Sl No.	Particulars	As At 31.03.2017		As At 31.03.2016	
		Number	Amount	Number	Amount
1	Authorised Equity Shares of Rs. 10/- each with Voting Rights	3200000	32000000	3200000	32000000
2	Issued, Subscribed and Paid up Equity Shares of Rs. 10/- each fully paid up with Voting Rights	3100000	31000000	3100000	31000000
	Total	3100000	31000000	3100000	31000000

(a) Reconciliation of the number of shares outstanding as at 31.03.2017 and 31.03.2016

Sl No.	Particulars	As At 31.03.2017		As At 31.03.2016	
		Number	Amount	Number	Amount
1	Equity Shares outstanding at the beginning of the year	3100000	31000000	3100000	31000000
2	Equity Shares Issued during the year	0	0	0	0
3	Equity Shares bought back during the year	0	0	0	0
4	Equity Shares outstanding at the end of the year	3100000	31000000	3100000	31000000

(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:

Sl No.	Particulars	As At 31.03.2017		As At 31.03.2016	
		No of Shares Held	% of Holding	No of Shares Held	% of Holding
	Equity Shares with Voting Rights				
1	Golden Valley Holdings Private Limited	899304	29.01%	899304	29.01%
2	Ginza Communication Private Limited	307600	9.92%	307600	9.92%
3	Mithul Investment Private Limited	242200	7.81%	242200	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 31.03.2017	As At 31.03.2016
		Nil	Nil

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT 31.03.2017

(INR)

Note No	Particulars	As at 31.03.2017 Rs.	As at 31.03.2016 Rs.
2	Note : Reserves & Surplus		
	General Reserve		
	As per last Balance Sheet	18913	18913
	Add: Transferred from Profit & Loss A/c	-	-
	Closing Balance	18913	18913
	Statutory Reserve Fund *		
	Opening Balance	943935	929224
	(+) Addition during the year	-	14711
	Closing Balance	943935	943935
	* Statutory Reserve Fund Created as per Section 45-IC of Reserve Bank of India Act, 1934		
	As per last Balance Sheet	(14,93,586)	8,74,879
	(+) Net Profit for the current year	-	-
	(+) Transfer from Reserves	-	-
	(-) Net Loss for the current year	3,22,192	23,68,465
	(-) Adjustment relating to Fixed Assets	-	-
	(-) Proposed Dividends	-	-
	(-) Interim Dividends	-	-
	(-) Transfer to Statutory Reserve	-	-
	Closing Balance	(18,15,778)	(14,93,586)
	Total	(8,52,930)	(5,30,738)
3	Note: Share Application money pending allotment		
	Total Amount	-	-

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT 31.03.2017

(INR)

Note No	Particulars	As at 31.03.2017 Rs.	As at 31.03.216 Rs.
4	Note: Long Term Borrowings		
	Secured		
	Term Loans from Banks	-	-
	Vehicle Loans from Banks	-	-
	Unsecured	-	-
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	-	-
		-	-
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.

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT 31.03.2017

(INR)

Note No	Particulars	As at 31.03.2017 Rs.	As at 31.03.2016 Rs.
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*	4,25,928	3,47,951
		4,25,928	3,47,951
	* Other Payables include		
	Expenses Payable	4,14,738	3,37,451
	Statutory Liabilities	11,190	10,500
10	Note: Short Term Provisions		
	Provisions for Employee Benefits	-	-
	Provisions - Others:		
	Provision for Taxes	87,329	77,747
	Contingency Provision Against Standard Assets *	3,24,110	2,58,105
		4,11,439	3,35,852

Note No. : 11 Fixed Assets

(INR)

S. No.	Particulars	Net Block									
		Balance As At 01.04.2016	Additions	Disposals	Acquisitions through business combinations	Reclassified as held for sale	Revaluation increase	Effect of foreign exchange differences	Borrowing cost capitalised	Other Adj.	" Balance As At 31.03.2017
		1	2	3	4	5	6	7	8	9	10=1+2+3+4+5 +6-7+8-9
A	Tangible assets :										
	(a) Computers & Software										
	Owned	188130	-	-	-	-	-	-	-	-	188130
	Taken under finance lease	-	-	-	-	-	-	-	-	-	-
	Given under operating lease	-	-	-	-	-	-	-	-	-	-
	(b) Furniture and Fixtures										
	Owned	277269	-	-	-	-	-	-	-	-	277269
	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)	4,95,199	-	-	-	-	-	-	-	-	4,95,199
	Previous Year	(4,95,199)	-	-	-	-	-	-	-	-	(4,95,199)
B	Intangible assets										
	Total (B)	-	-	-	-	-	-	-	-	-	-
	Previous Year	-	-	-	-	-	-	-	-	-	-
	Grand Total (A + B)	4,95,199	-	-	-	-	-	-	-	-	4,95,199

S. No.	Particulars	Accumulated depreciation and impairment							Net block		
		Balance As At 01.04.2016	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	Revaluation of impairment losses recognised in Statement of Profit and loss	other adjustments	Balance As At 31.03.2016	Balance As At 31.03.2017	" Balance As At 31.03.2017
		11	12	13	14	15	16	17	18= sum(11:17)	19= (10-18)	20= (1 - 11)
A	Tangible assets :										
	Computers & Software										
	Owned	181630	-	-	-	-	-	-	1,81,630	6,500	6,500
	Taken under finance lease	-	-	-	-	-	-	-	-	-	-
	Given under operating lease	-	-	-	-	-	-	-	-	-	-
	Furniture and Fixtures										
	Owned	2,67,677	-	-	-	-	-	-	2,67,677	9,592	9,592
	Taken under finance lease	-	-	-	-	-	-	-	-	-	-
	Given under operating lease	-	-	-	-	-	-	-	-	-	-
	Plant & Machinery										
Owned	22,210	3,316	-	-	-	-	-	25,526	4,274	7,590	
Taken under finance lease	-	-	-	-	-	-	-	-	-	-	
Given under operating lease	-	-	-	-	-	-	-	-	-	-	
B	Total (A)	4,71,517	3,316	-	-	-	-	-	4,74,833	20,366	23,682
	Previous Year	-4,68,201	-3,315	-	0	0	0	-	23,682	23,682	23,682
	Intangible assets	-	-	-	-	-	-	-	-	-	-
	Total (B)	-	-	-	-	-	-	-	-	-	-
	Previous Year	-	-	-	-	-	-	-	-	-	-
C	Capital Work in Progress										
	Grand Total (A + B + C)	18,894	3,316	-	-	-	-	-	474,833	20,366	23,682

(INR)

Note No.	Particulars	No. of Shares	As At 31.03.2017	No. of Shares	As At 31.03.2016
12	Note: Non Current Investments				
	In Equity Shares (Quoted - fully paid up)	-	-	-	-
	In Equity Shares (Unquoted - fully paid up)				-
	Citiport Credit Limited	9,74,500	97,45,000	9,74,500	97,45,000
	Total	9,74,500	97,45,000	9,74,500	97,45,000
	Grand Total	9,74,500	97,45,000	9,74,500	97,45,000

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT 31.03.2017

(INR)

Note No	Particulars	As at 31.03.2017 Rs.	As at 31.03.2016 Rs.
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	3,12,063	5,11,430
	(i) Other Loans & Advances		
	Secured, considered good		-
	Unsecured, considered good		
	Doubtful	-	-
		<u>3,12,063</u>	<u>5,11,430</u>
	Less: Provision for other doubtful loans & advances	-	-
		<u><u>3,12,063</u></u>	<u><u>5,11,430</u></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	-	-
	Telephone Deposit	-	-
	Other Deposits	-	-
		-	-
		<u> </u>	<u> </u>
		<u> </u>	<u> </u>

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT 31.03.2017

(INR)

Note No	Particulars	As at 31.03.2017 Rs.	As at 31.03.2016 Rs.
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	-	-
	Less: Provision for doubtful trade receivables	-	-
		<u>-</u>	<u>-</u>
		-	-
		<u>-</u>	<u>-</u>
	* 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 FINANCIAL STATEMENTS AS AT 31.03.2017

(INR)

Note No	Particulars	As at 31.03.2017 Rs.	As at 31.03.2016 Rs.
17	Note: Cash and Bank balances		
(a)	Cash and Cash Equivalents		
(i)	Balances with banks;		
	In Deposit Accounts	-	-
	In Current Accounts	1,66,145	2,16,485
(ii)	Cheques, drafts on hand	-	12,76,298
(iii)	Cash on hand	70,437	1,23,773
(b)	Other Bank balances		
	In Deposit Accounts	-	-
		2,36,582	16,16,556
18	Note: Short Term Loans & Advances		
(a)	Loans & Advances to related parties		
	Secured, considered good	-	-
	Unsecured, considered good		
	Trinox Infrastructure and Developers Private Ltd	16,06,601	14,50,000
	Doubtful	-	-
		16,06,601	14,50,000
	Less: Provision for doubtful loans & advances		
		16,06,601	14,50,000
(b)	Security Deposits	-	-
(c)	Loans & Advances to Employees	1,97,000	-
(d)	Prepaid Expenses	4,920	4,209
(e)	Balances with Government Authorities		
	TDS Receivable	1,70,608	1,73,542
(f)	Inter-Corporate Deposits	-	-
(g)	Others		
	Secured, considered good	-	-
	Unsecured, considered good		
	Ginza Communications Pvt Ltd.	1,48,26,763	1,39,24,219
	Kite College of Professional Engineering Sciences	5,54,000	5,00,000
	Phat Phish Films (P) Ltd	33,06,716	32,01,449
(j)	Doubtful		
		2,06,66,608	1,92,53,419
	Less: Provision for other doubtful loans & advances	-	-
		2,06,66,608	1,92,53,419
	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	16,06,601	14,50,000

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT 31.03.2017

(INR)

Note No	Particulars	As at 31.03.2017 Rs.	As at 31.03.2016 Rs.
19	Note: Other Current Assets		
	(a) Unbilled revenue	-	-
	(b) Unamortised expenses	-	-
	(c) Accruals	-	-
	(d) Other Current Assets	-	-
		<u>-</u>	<u>-</u>
		<u><u>-</u></u>	<u><u>-</u></u>
20	Note: Revenue from Operations		
	Interest	17,06,068	17,35,392
	Other financial Services	<u>17,06,068</u>	<u>17,35,392</u>
		<u><u>17,06,068</u></u>	<u><u>17,35,392</u></u>
21	Note: Other Income		
	Other Income	29,152	-
		<u>29,152</u>	<u>-</u>
		<u><u>29,152</u></u>	<u><u>-</u></u>
22	Note: Purchases		
	Purchases	-	-
		<u>-</u>	<u>-</u>
		<u><u>-</u></u>	<u><u>-</u></u>
23	Note: Changes in inventories of finished goods, work-in-progress and stock-in-trade		
	Inventories at the end of the year:		
	Finished goods (acquired for trading)	-	-
	Work-in-progress	-	-
	Stock-in-trade	-	-
		<u>-</u>	<u>-</u>
		<u><u>-</u></u>	<u><u>-</u></u>
	Inventories at the beginning of the year:		
	Finished goods (acquired for trading)	-	-
	Work-in-progress	-	-
	Stock-in-trade	-	-
		<u>-</u>	<u>-</u>
		<u><u>-</u></u>	<u><u>-</u></u>
	Net increase / (decrease)	<u>-</u>	<u>-</u>
		<u><u>-</u></u>	<u><u>-</u></u>

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT 31.03.2017

(INR)

Note No	Particulars	As at 31.03.2017 Rs.	As at 31.03.2016 Rs.
24	Note: Employee Benefit Expenses		
	Salaries and wages	8,00,000	6,90,000
	Directors Remuneration	-	-
	Contribution to provident and other funds	-	-
	Staff welfare expenses	16,976	12,774
		8,16,976	7,02,774
25	Note: Other Expenses		
	Advertisement Expenses	36,540	50,429
	Audit Fee	69,000	68,700
	Consultancy Charges	87,563	20,000
	Conveyance Expenses	18,110	18,850
	DeMat & RTA Expenses	64,153	51,299
	Fees & Taxes	2,38,000	2,50,520
	Internet / Cable Charges	12,665	12,463
	Office Maintenance	67,575	73,075
	Postage & Courier	9,000	10,095
	Professional / Legal Fees	2,44,500	2,22,892
	Rent	36,000	60,000
		8,83,106	8,38,323
26	Note: Finance Costs		
	Interest Expense		
	Interest	-	-
	Interest on Others *	91,387	373
	Other Finance Expenses		
	Bank Charges	233	428
	Provision for Standard Assets *	66,005	57,293
		1,57,625	58,094

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

* Interest of Income Tax of Rs. 90,874/- related to FY 2006-07, which is prior period item

NOTE 27: SIGNIFICANT ACCOUNTING POLICIES**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 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 of time 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 year end 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 reassessed 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.

28 Note: Auditors Remuneration

As Auditors - Statutory Audit	51,750	51,525
For taxation matters	17,250	17,175
For company law matters	-	-
For management services	-	-
For other services	-	-
Reimbursement of Expenses	-	-
Total	69,000	68,700

29 Note: Deferred Tax Asset

On account of		
Depreciation and Amortisation	(840)	1,350
Total	(840)	1,350

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:

Basic and diluted EPS is as under:

Profit after Tax (INR)	(3,22,192)	(23,68,465)
Number of equity shares (in Nos)	31,00,000	31,00,000
Earnings per share (INR)	(0.10)	(0.76)
Face Value per Equity Share (INR)	10.00	10.00

31 Investments Written Off (Exceptional Item) :

Name of the Company	Amount (INR)	
Precision Infrastructure Limited	0	25,00,000

31 Note: Tax Expense

The Tax Expenses for the year comprises of;

Income Tax	1,97,229	-
Current Period	9,582	-
Prior Period*	1,87,647	-
Deferred Tax	(840)	1,350

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.

33 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	36000	36000
later than one year and not later than five years	33,000	-
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	-	-

34 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.

35 Note: Earnings in foreign currency Nil Nil

36 Note: Expenditure in foreign currency Nil Nil

Note No : 37 Related party Disclosures

S.No.	Name of the Related Party	Nature of Relationship
1	Madhavi Musnuru	Key Management Personnel
2	Ratan Kishan Musnuru	Key Management Personnel
3	Prattipati Parthasarathi	Key Management Personnel
4	Enjamuri Pardha Saradhi	Key Management Personnel
5	Dhanushree Guddep	Key Management Personnel
6	Mallikarjunrao Yetukuri	Key Management Personnel
7	Rajasekhar Katta	Key Management Personnel
8	Anil Kumar Talasila	Key Management Personnel
9	Talus Infra Ventures Private Limited	"Enterprises own or significantly influenced by Key Management Personnel or their relatives (Associates)"
10	Golden Valley Holdings Private Limited	
11	Green Fire Agri Commodities Limited	
12	Northgate Com Tech Limited	
13	Social Media India Limited	
14	Citizen Communications Limited	
15	Bio Bhanol Agro Industries Limited	
16	Nakshatra Organics Private Limited	
17	DRK Agro Farms Private Limited	
18	Citizen Electronics Limited	
19	Manjeet Chemicals Private Limited	
20	Madhuha Designer Wear Private Limited	
21	V5 ITES Private Limited	
22	Trinox Infrastructure and Developers Pvt Ltd	

Transactions with Related Parties :**(INR)**

S.No.	Nature of Transaction	FY 2016-17			FY 2015-16		
		Associates	KMP	Total	Associates	KMP	Total
1	Remuneration	0	0	0	0	0	0
2	Intrest Income	1,74,001		1,74,001	1,71,759	-	1,71,759
3	Short Term Loans & Advances	-	-	-	-	-	-

Balances with Related Parties As At 31.03.2017:**(Amount INR)**

S.No.	Nature of Transaction	FY 2016-17			FY 2015-16		
		Associates	KMP	Total	Associates	KMP	Total
1	Short Term Loans & Advances	16,06,601		16,06,601	14,50,000	-	14,50,000

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT 31.03.2017

Note No. 38 Details of provisions

(Amount `)

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 01.04.2016	Addition	Utilisation	Reversal	As At 31.03.2017
1	Provision for warranty	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
2	Provision for estimated losses on onerous contracts	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 31.03.2017	As At 31.03.2016
1	Provision for warranty	Nil	Nil
2	"Provision for estimated losses on onerous contracts"	Nil	Nil
3	Provision for other contingencies (give details)	Nil	Nil

Note No : 39

Specified Bank Notes Disclosure (SBNs) :

In accordance with the MCA Notification G.S.R 308E dated 30th March 2017 details of Specified Bank Notes (SBNs) and Other Denomination Notes (ODNs) held and transacted during the period from 08th November 2016 to 30th December 2016

(INR)

S. No.	Particulars	SBNs	ODNs	Total
1	Closing Cash in Hand on 08.11.2016	-	1,09,916	1,09,916
2	(+) Permitted Receipts	-	36,000	36,000
3	(-) Permitted Payments	-	77,190	77,190
4	(-) Amount deposited in Banks	-	-	-
5	Closing Cash in Hand on 30.12.2016	-	68,726	68,726

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT 31.03.2017

Note No.	Particulars
40	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.
41	Note: Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is: Nil (Nil)
42	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
43	Note: Additional information pursuant to Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 is annexed.

As per the report of even date attached

For GV & Co.,

Chartered Accountants

For and On behalf of the Board

For and on behalf of the Board

Sd/-

Grandh Vittal

Proprietor

Membership No.206462

Firm Regn. No.012875S

Place: Hyderabad

Date: 30.05.2017

Sd/-

ENJAMURI PARDHA SARADHI

Managing Director

(DIN : 07531047)

Sd/-

PARTHASARATHI PRATTIPATI

Director

(DIN : 00004936)

Consolidated Independent Auditors' 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 31 March 2017, 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 have not conducted the audit of M/s Citiport Credit Limited. These financial statements have been audited by Geeta Shankar & Co., Chartered Accountants, New Delhi, whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of these consolidate entities, is basely on the report of the other auditors.

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 31 March 2017 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 31 March 2017 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 2017 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.
- iv) The Company has provided requisite disclosures in the Consolidated Financial Statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated 8th November 2016 of the Ministry of Finance, during the period from 08.11.2016 to 30.12.2016 of the Group entities as applicable. Based on audit procedures performed and the representations provided to us by the management, we report that the disclosures are in accordance with the books of account maintained by those entities for the purpose of preparation of consolidated financial statements and as produced to us by the Management of respective Group entities.

For GV & Co.,
Chartered Accountants

Sd/-
GrandhiVittal
Proprietor
M.No. 206462
Firm Regn No. 012875S

Place : Hyderabad
Date : 30th May'2017

Annexure to Independent Auditor's 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 31 March 2017, 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 31 March 2017 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the 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 2017, 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 GV & Co.,
Chartered Accountants

Sd/-
GrandhiVittal
Proprietor
M.No. 206462
Firm Regn No. 012875S

Place : Hyderabad
Date : 30th May'2017.

CONSOLIDATED BALANCE SHEET AS ON 31ST MARCH, 2017

(INR)

Particulars	Note No.	As At 31.03.2017	As At 31.03.2016
A Equity and Liabilities:			
Shareholders funds			
(a) God Account		22	22
(b) Share Capital	1	3,10,00,000	3,10,00,000
(c) Reserves and Surplus	2	(10,21,223)	(6,92,248)
(d) Money Received against Share Warrants		-	-
Share application money pending allotment	3	-	-
Minority Interest		14,61,126	14,62,556
Non-current liabilities			
(a) Long-term borrowings	4	4,52,000	4,52,000
(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	4,33,428	3,55,451
(d) Short-term provisions	10	4,11,439	3,35,852
TOTAL		3,27,36,792	3,29,13,633
Assets:			
Non-current assets			
(a) Fixed assets			
(i) Tangible assets	11	20,366	23,683
(ii) Intangible assets		26,44,202	26,44,202
(iii) Capital work - in - progress		-	-
(iv) Intangible assets under development		-	-
(b) Non-current Investments	12	-	-
(c) Deferred tax assets (net)	29	3,840	3,000
(d) Long-term loans and advances	13	79,12,797	81,12,164
(e) Other non-current assets	14	-	-
Current assets			
(a) Current Investments		-	-
(b) Inventories	15	-	-
(c) Trade Receivable	16	70,000	70,000
(d) Cash and Bank balances	17	14,18,980	28,07,166
(e) Short-term loans and advances	18	2,06,66,608	1,92,53,419
(f) Other current assets	19	-	-
TOTAL		3,27,36,792	3,29,13,634
Accounting Policies & Other relevant Notes	27 to 44		

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

As per the report of even date attached

For G.V & Co.,

Chartered Accountants

Sd/-

(Grandhi Vittal)

Proprietor

Membership No.206462

Firm Regn No. : 012875S

Place : Hyderabad

Date : 30.05.2017

For and on behalf of the Board

Sd/-

ENJAMURI PARDHA SARADHI

Managing Director

DIN : 07531047

Sd/-

PARTHASARATHI PRATTIPATI

Director

DIN : 00004936

STATEMENT PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

(INR)

S. No.	Particulars	Note No	For the Year ended 31.03.2017	For the Year ended 31.03.2016
A	Continuing Operations:			
1	Revenue from operations	20	17,06,068	17,35,392
	Less: Excise Duty			-
	Revenue from operations (net)		17,06,068	17,35,392
2	Other income	21	29,152	-
3	Total Revenue (1 + 2)		17,35,220	17,35,392
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	8,16,976	7,02,774
	Other Expenses	25	8,91,106	10,54,994
	Total		17,08,082	17,57,768
5	Earnings before exceptional and extra ordinary items, interest, tax, depreciation and amortisation (EBITDA) (3 - 4)		27,138	(22,376)
6	Finance Costs	26	1,57,838	58,306
7	Depreciation and amortisation expense	11	3,316	3,316
8	Profit / (Loss) before exceptional and extraordinary items and tax (5 - 6 - 7)		(1,34,016)	(83,998)
9	Exceptional Items			25,00,000
10	Profit / (Loss) before extraordinary items and tax (8 - 9)		(1,34,016)	(25,83,998)
11	Extraordinary items			
12	Profit / (Loss) before tax (10 - 11)		(1,34,016)	(25,83,998)
13	Tax Expense:			
	- Income Tax		1,97,229	-
	Current Period		9,582	
	Prior Period		1,87,647	
	- Deferred Tax		(840)	1,350
14	Profit / (Loss) for the period from continuing operations (12 - 13)		(3,30,405)	(25,85,348)
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)		(3,30,405)	(25,85,348)
19	Minority Interest		(1,430)	(37,754)
20	Profit after Minority Interest		(3,28,975)	(25,47,594)
21	Earnings per equity share:			
	- Basic		(0.11)	(0.82)
	- Diluted		(0.11)	(0.82)
	Accounting Policies & Other relevant Notes	27 to 44		

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

As per the report of even date attached

For G.V & Co.,

Chartered Accountants

Sd/-

(Grandhi Vittal)

Proprietor

Membership No.206462

Firm Regn No. : 012875S

Place : Hyderabad

Date : 30.05.2017

For and on behalf of the Board

Sd/-

ENJAMURI PARDHA SARADHI

Managing Director

DIN : 07531047

Sd/-

PARTHASARATHI PRATTIPATI

Director

DIN : 00004936

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017
(Pursuant to clause 32 of Listing Agreement as amended)

(INR)

Particulars	₹	For the Year ended 31.03.2017
A. Cash flow from Operating activities		
Net Profit before tax as per Profit and loss account		(1,34,016)
Adjustments		
(Profit) / Loss on sale of fixed assets (net)		-
(Profit) / Loss on sale of investments (net)		-
Investments Written Off		-
Depreciation and Amortisation Expense		3,316
Preliminary Expenditure Written Off		-
Interest Income		-
Dividend income		-
Finance Costs		1,57,838
		<u>27,138</u>
(Increase)/Decrease in Trade and Other Receivables		-
Increase/(Decrease) in Trade Payables		-
(Increase)/Decrease in Inventories		-
Changes in Short Term Loans & Advances		(14,13,189)
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.		(43,665)
Increase/(Decrease) in Other Long Term Liab. / Long Term Prov.		-
Cash generated from Operations		<u>(14,29,716)</u>
Direct Taxes paid		-
Net Cash from Operating activities		<u>(14,29,716)</u>
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		1,99,367
Changes in Other Non current Assets		-
Interest Income		-
Dividend income		-
Cash flow before exceptional items		<u>1,99,367</u>
Exceptional Items		-
Net Cash from Investment Activities		<u>1,99,367</u>
C. Cash Flow from Financing Activities		
Proceeds from issue of Share Capital/ Share Application Money		-
Proceeds / (Repayment) from Borrowings		-
Finance Costs		(1,57,838)
Dividends Paid		-
Dividend tax paid		-
Effect of Exchange Rate change		-
Net cash used in financing activities		<u>(1,57,838)</u>
Net (Decrease) / Increase in cash and cash equivalents		<u>(13,88,187)</u>
Cash and cash equivalents at the beginning of the year		28,07,166
Cash and Cash equivalents at the end of the year		14,18,979
Short Term Bank Deposits		-
Cash and Bank Balances at the end of the year		14,18,979

-
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 G.V & Co.,
Chartered Accountants

Sd/-
(Grandhi Vittal)
Proprietor
Membership No. 206462
Firm Regn No. : 012875S

For and on behalf of the Board

Sd/-
ENJAMURI PARDHA SARADHI
Managing Director
DIN : 07531047

Sd/-
PARTHASARATHI PRATTIPATI
Director
DIN : 00004936

Place : Hyderabad
Date : 30.05.2017

Notes forming part of Consolidated Financial Statements As At 31.03.2017

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.Citiport 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 on	Extent of Holding (%) Direct
Citiport Credit Limited	India	31.03.2017	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 net assets	Amount (INR)
Parent				
Citiport Financial Services Limited	95.89%	3,01,47,092	97.51%	(3,22,192)
Subsidiary				
Citiport Credit Limited	26.70%	83,93,632	2.49%	(8,213)
Sub-total	122.59%	3,85,40,724	100.00%	(3,30,405)
Minority Interest	4.65%	14,61,126	0.43%	(1,430)
Less: Total Elimination	-27.23%	(85,61,925)	-0.43%	1,430
Total	100.00%	3,14,39,925	100.00%	(3,30,405)

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT 31.03.2017

Note No. 1 : SHARE CAPITAL

(INR)

Sl No.	Particulars	As At 31.03.2017		As At 31.03.2016	
		Number	Amount	Number	Amount
1	Authorised Equity Shares of Rs. 10/- each with Voting Rights	3200000	32000000	3200000	32000000
2	Issued, Subscribed and Paid up Equity Shares of Rs. 10/- each fully paid up with Voting Rights	3100000	31000000	3100000	31000000
	Total	3100000	31000000	3100000	31000000

(a) Reconciliation of the number of shares outstanding as at 31.03.2016 and 31.03.2017

Sl No.	Particulars	As At 31.03.2017		As At 31.03.2016	
		Number	Amount	Number	Amount
1	Equity Shares outstanding at the beginning of the year	3100000	31000000	3100000	31000000
2	Equity Shares Issued during the year	0	0	0	0
3	Equity Shares bought back during the year	0	0	0	0
4	Equity Shares outstanding at the end of the year	3100000	31000000	3100000	31000000

(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:

Sl No.	Particulars	As At 31.03.2017		As At 31.03.2016	
		No of Shares Held	% of Holding	No of Shares Held	% of Holding
	Equity Shares with Voting Rights				
1	Golden Valley Holdings Private Limited	899304	29.01%	899304	29.01%
2	Ginza Communication Private Limited	307600	9.92%	307600	9.92%
3	Mithul Investment Private Limited	242200	7.81%	242200	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 31.03.2017	As At 31.03.2016
		Nil	Nil

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT 31.03.2017

(INR)

Note No	Particulars	As at 31.03.2017 Rs.	As at 31.03.2016 Rs.
2	Note : Reserves & Surplus		
	General Reserve		
	As per last Balance Sheet	18913	18913
	Add: Transferred from Profit & Loss A/c	-	-
	Closing Balance	18913	18913
	Statutory Reserve Fund *		
	Opening Balance	943935	929224
	(+) Addition during the year	-	14711
	Closing Balance	943935	943935
	* Statutory Reserve Fund Created as per Section 45-IC of Reserve Bank of India Act, 1934		
	As per last Balance Sheet	(16,55,096)	8,74,879
	(+) Net Profit for the current year	-	-
	(+) Transfer from Reserves	-	-
	(-) Net Loss for the current year	3,28,975	25,29,975
	(-) Adjustment relating to Fixed Assets	-	-
	(-) Proposed Dividends	-	-
	(-) Interim Dividends	-	-
	(-) Transfer to Statutory Reserve	-	-
	Closing Balance	(19,84,071)	(16,55,096)
	Total	(10,21,223)	(6,92,248)
3	Note: Share Application money pending allotment		
	Total Amount	-	-

Note No	Particulars	As at 31.03.2017 Rs.	As at 31.03.216 Rs.
4	Note: Long Term Borrowings		
	Secured		
	Term Loans from Banks	-	-
	Vehicle Loans from Banks	-	-
	Unsecured	-	-
	From Directors	4,52,000	4,52,000
		4,52,000	4,52,000
		<u>4,52,000</u>	<u>4,52,000</u>
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	-	-
		-	-
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.

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT 31.03.2017

(INR)

Note No	Particulars	As at 31.03.2017 Rs.	As at 31.03.216 Rs.
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*	4,33,428	3,55,451
		4,33,428	3,55,451
	* Other Payables include		
	Expenses Payable	4,22,238	3,44,951
	Statutory Liabilities	11,190	10,500
10	Note: Short Term Provisions		
	Provisions for Employee Benefits	-	-
	Provisions - Others:		
	Provision for Taxes	87,329	77,747
	Contingency Provision Against Standard Assets *	3,24,110	2,58,105
		4,11,439	3,35,852

(INR)

Note No.	Particulars	No. of Shares	As At 31.03.2017	No. of Shares	As At 31.03.2016
12	Note: Non Current Investments				
	In Equity Shares (Quoted - fully paid up)	-	-		-
	In Equity Shares (Unquoted - fully paid up)				-
	Citiport Credit Limited	-	-	-	-
	Total	-	-	-	-
	Grand Total	-	-	-	-

Note No. : 11 Fixed Assets

(Amount INR)

S. No.	Particulars	Net Block							Other Adj.	" Balance As At 31.03.2017
		Balance As At 01.04.2016	Additions	Disposals	Acquisitions through business combinations	Reclassified as held for sale	Revaluation increase	Effect of foreign exchange differences		
		1	2	3	4	5	6	7	8	9
										10=1+2+3+4+5 +6-7+8-9
A	Tangible assets :									
(a)	Computers & Software									
	Owned	188130	-	-	-	-	-	-	-	188130
	Taken under finance lease	-	-	-	-	-	-	-	-	-
	Given under operating lease	-	-	-	-	-	-	-	-	-
(b)	Furniture and Fixtures									
	Owned	277269	-	-	-	-	-	-	-	277269
	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)	4,95,199	-	-	-	-	-	-	-	4,95,199
	Previous Year	(4,95,199)	-	-	-	-	-	-	-	(4,95,199)
B	Intangible assets									
	Total (B)	-	-	-	-	-	-	-	-	-
	Previous Year	-	-	-	-	-	-	-	-	-
	Grand Total (A + B)	4,95,199	-	-	-	-	-	-	-	4,95,199

S. No.	Particulars	Accumulated depreciation and impairment								Net block	
		Balance As At 01.04.2016	Deprecion amortisation expense for the year	Eliminated on disposal of assets	Eliminated on reclasi- fication as held for sale	Impairment losses recognised in Statement of Profit and loss	Revaluation of impairment losses recognised in Statement of Profit and loss	other adjustments	Balance As At 31.03.2016	Balance As At 31.03.2017	" Balance " As At 31.03.2017
		11	12	13	14	15	16	17	18= sum(11:17)	19= (10-18)	20= (1 - 11)
A	Tangible assets :										
	(a) Computers & Software										
	Owned	181630	-	-	-	-	-	-	1,81,630	6,500	6,500
	Taken under finance lease	-	-	-	-	-	-	-	-	-	-
	Given under operating lease	-	-	-	-	-	-	-	-	-	-
	Furniture and Fixtures										
	Owned	2,67,677	-	-	-	-	-	-	2,67,677	9,592	9,592
	Taken under finance lease	-	-	-	-	-	-	-	-	-	-
	Given under operating lease	-	-	-	-	-	-	-	-	-	-
	Plant & Machinery										
(c)	Owned	22,210	3,316	-	-	-	-	-	25,526	4,274	7,590
	Taken under finance lease	-	-	-	-	-	-	-	-	-	-
	Given under operating lease	-	-	-	-	-	-	-	-	-	-
	Total (A)	4,71,517	3,316	-	-	-	-	-	4,74,833	20,366	23,682
	Previous Year	-4,68,201	-3,315	-	0	0	0	-	-47,1,517	-23,682	-26,999
B	Intangible assets										
	Total (B)										
	Previous Year										
C	Capital Work in Progress										
	Grand Total (A + B + C)	4,71,517	3,316	-	-	-	-	-	4,74,833	20,366	23,682

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT 31.03.2017

(INR)

Note No	Particulars	As at 31.03.2017 Rs.	As at 31.03.2016 Rs.
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	3,12,063	5,11,430
	(i) Other Loans & Advances		
	Secured, considered good		-
	Unsecured, considered good		
	Doubtful	-	-
		<u>76,00,734</u>	<u>76,00,734</u>
		<u>79,12,797</u>	<u>81,12,164</u>
	Less: Provision for other doubtful loans & advances	-	-
		<u>79,12,797</u>	<u>81,12,164</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	-	-
	Telephone Deposit	-	-
	Other Deposits	-	-
		<u>-</u>	<u>-</u>
		<u>-</u>	<u>-</u>

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT 31.03.2017

(INR)

Note No	Particulars	As at 31.03.2017 Rs.	As at 31.03.2016 Rs.
15	Note : Investments		
(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	<u>70,000</u>	<u>70,000</u>
		70,000	70,000
	Less: Provision for doubtful trade receivables	<u>-</u>	<u>-</u>
		<u>70,000</u>	<u>70,000</u>
*	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 FINANCIAL STATEMENTS AS AT 31.03.2017

(INR)

Note No	Particulars	As at 31.03.2017 Rs.	As at 31.03.2016 Rs.
17	Note: Cash and Bank balances		
(a)	Cash and Cash Equivalents		
(i)	Balances with banks;		
	In Deposit Accounts	-	-
	In Current Accounts	1,75,223	2,25,775
(ii)	Cheques, drafts on hand	-	12,76,298
(iii)	Cash on hand	12,43,757	13,05,093
(b)	Other Bank balances		
	In Deposit Accounts	-	-
		14,18,980	28,07,166
18	Note: Short Term Loans & Advances		
(a)	Loans & Advances to related parties		
	Secured, considered good	-	-
	Unsecured, considered good		
	Trinox Infrastructure and Developers Private Ltd	16,06,601	14,50,000
	Doubtful	-	-
		16,06,601	14,50,000
	Less: Provision for doubtful loans & advances		
		16,06,601	14,50,000
(b)	Security Deposits	-	-
(c)	Loans & Advances to Employees	1,97,000	-
(d)	Prepaid Expenses	4,920	4,209
(e)	Balances with Government Authorities		
	TDS Receivable	1,70,608	1,73,542
(f)	Inter-Corporate Deposits	-	-
(g)	Others		
	Secured, considered good	-	-
	Unsecured, considered good		
	Ginza Communications Pvt Ltd.	1,48,26,763	1,39,24,219
	Kite College of Professional Engineering Sciences	5,54,000	5,00,000
	Phat Phish Films (P) Ltd	33,06,716	32,01,449
(j)	Doubtful		
		2,06,66,608	1,92,53,419
	Less: Provision for other doubtful loans & advances	-	-
		2,06,66,608	1,92,53,419
	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	16,06,601	14,50,000

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT 31.03.2017

(INR)

Note No	Particulars	As at 31.03.2017 Rs.	As at 31.03.2016 Rs.
19	Note: Other Current Assets		
	(a) Unbilled revenue	-	-
	(b) Unamortised expenses	-	-
	(c) Accruals	-	-
	(d) Other Current Assets	-	-
		<u>-</u>	<u>-</u>
		<u>-</u>	<u>-</u>
20	Note: Revenue from Operations		
	Interest	17,06,068	17,35,392
	Other financial Services	<u>17,06,068</u>	<u>17,35,392</u>
21	Note: Other Income		
	Other Income	29,152	-
		<u>29,152</u>	<u>-</u>
		<u>29,152</u>	<u>-</u>
22	Note: Purchases		
	Purchases	-	-
		<u>-</u>	<u>-</u>
		<u>-</u>	<u>-</u>
23	Note: Changes in inventories of finished goods, work-in-progress and stock-in-trade		
	Inventories at the end of the year:		
	Finished goods (acquired for trading)	-	-
	Work-in-progress	-	-
	Stock-in-trade	-	-
		<u>-</u>	<u>-</u>
		<u>-</u>	<u>-</u>
	Inventories at the beginning of the year:		
	Finished goods (acquired for trading)	-	-
	Work-in-progress	-	-
	Stock-in-trade	-	-
		<u>-</u>	<u>-</u>
		<u>-</u>	<u>-</u>
	Net increase / (decrease)	<u>-</u>	<u>-</u>
		<u>-</u>	<u>-</u>

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT 31.03.2017

(INR)

Note No	Particulars	As at 31.03.2017 Rs.	As at 31.03.2016 Rs.
24	Note: Employee Benefit Expenses		
	Salaries and wages	8,00,000	6,90,000
	Directors Remuneration	-	-
	Contribution to provident and other funds	-	-
	Staff welfare expenses	16,976	12,774
		8,16,976	7,02,774
25	Note: Other Expenses		
	Advertisement Expenses	36,540	50,429
	Audit Fee	76,500	76,200
	Consultancy Charges	87,563	20,000
	Conveyance Expenses	18,110	18,850
	DeMat & RTA Expenses	64,153	51,299
	Fees & Taxes	2,38,500	4,34,691
	Internet / Cable Charges	12,665	12,463
	Office Maintenance	67,575	73,075
	Postage & Courier	9,000	10,095
	Professional / Legal Fees	2,44,500	2,47,892
	Rent	36,000	60,000
		8,91,106	10,54,994
26	Note: Finance Costs		
	Interest Expense		
	Interest	-	-
	Interest on Others *	91,387	373
	Other Finance Expenses		
	Bank Charges	446	640
	Provision for Standard Assets *	66,005	57,293
		1,57,838	58,306

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

* Interest of Income Tax of Rs. 90,874/- related to FY 2006-07, which is prior period item

NOTE 27: SIGNIFICANT ACCOUNTING POLICIES**1. Basis of accounting**

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.

2. Use of estimates

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 recognised 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 recognised 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. Unrealised 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. Unrealised 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 of time 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 year end 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 reassessed 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.

28 Note: Auditors Remuneration

As Auditors - Statutory Audit	51,750	51,525
For taxation matters	19,125	19,050
For company law matters	-	-
For management services	-	-
For other services	-	-
Reimbursement of Expenses	-	-
Total	76,500	76,200

29 Note: Deferred Tax Asset

On account of		
Depreciation and Amortisation	(840)	1,350
Total	(840)	1,350

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:

Basic and diluted EPS is as under:

Profit after Tax (INR)	(3,30,405)	(25,85,348)
Number of equity shares (in Nos)	31,00,000	31,00,000
Earnings per share (INR)	(0.11)	(0.82)
Face Value per Equity Share (INR)	10.00	10.00

31 Investments Written Off (Exceptional Item) :

Name of the Company	Amount (INR)	Amount (INR)
Precision Infrastructure Limited	0	25,00,000

31 Note: Tax Expense

The Tax Expenses for the year comprises of;

Income Tax	1,97,229	-
Current Period	9,582	-
Prior Period*	1,87,647	-
Deferred Tax	(840)	1,350

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.

33 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	36000	36000
later than one year and not later than five years	33,000	-
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	-	-

34 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.

35 Note: Earnings in foreign currency Nil Nil

36 Note: Expenditure in foreign currency Nil Nil

37 Citiport Credit Limited has become subsidiary w.e.f 07th May 2015 and it is not subsidiary during FY 2014-15, hence Cash Flow Statement for the year ended 31.03.2016 need not be reported in Consolidated Financial Statements.

Note No : 38 Related party Disclosures

S.No.	Name of the Related Party	Nature of Relationship
1	Madhavi Musnuru	Key Management Personnel
2	Ratan Kishan Musnuru	Key Management Personnel
3	Prattipati Parthasarathi	Key Management Personnel
4	Enjamuri Pardha Saradhi	Key Management Personnel
5	Dhanushree Guddep	Key Management Personnel
6	Mallikarjunrao Yetukuri	Key Management Personnel
7	Rajasekhar Katta	Key Management Personnel
8	Anil Kumar Talasila	Key Management Personnel
9	Talus Infra Ventures Private Limited	"Enterprises own or significantly influenced by Key Management Personnel or their relatives (Associates)"
10	Golden Valley Holdings Private Limited	
11	Green Fire Agri Commodities Limited	
12	Northgate Com Tech Limited	
13	Social Media India Limited	
14	Citizen Communications Limited	
15	Bio Bhanol Agro Industries Limited	
16	Nakshatra Organics Private Limited	
17	DRK Agro Farms Private Limited	
18	Citizen Electronics Limited	
19	Manjeet Chemicals Private Limited	
20	Madhuha Designer Wear Private Limited	
21	V5 ITES Private Limited	
22	Trinox Infrastructure and Developers Pvt Ltd	

Transactions with Related Parties :**(INR)**

S.No.	Nature of Transaction	FY 2016-17			FY 2015-16		
		Associates	KMP	Total	Associates	KMP	Total
1	Remuneration	0	0	0	0	0	0
2	Intrest Income	1,74,001		1,74,001	1,71,759	-	1,71,759
3	Short Term Loans & Advances	-	-	-	-	-	-

Balances with Related Parties As At 31.03.2017:**(INR)**

S.No.	Nature of Transaction	FY 2016-17			FY 2015-16		
		Associates	KMP	Total	Associates	KMP	Total
1	Short Term Loans & Advances	16,06,601		16,06,601	14,50,000	-	14,50,000
2	Short Term Loans Long Term Borrowings		4,52,000	4,52,000		4,52,000	4,52,000

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT 31.03.2017

Note No. 39 Details of provisions

(Amount `)

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 01.04.2016	Addition	Utilisation	Reversal	As At 31.03.2017
1	Provision for warranty	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
2	Provision for estimated losses on onerous contracts	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 31.03.2017	As At 31.03.2016
1	Provision for warranty	Nil	Nil
2	"Provision for estimated losses on onerous contracts"	Nil	Nil
3	Provision for other contingencies (give details)	Nil	Nil

Note No : 40

Specified Bank Notes Disclosure (SBNs) :

In accordance with the MCA Notification G.S.R 308E dated 30th March 2017 details of Specified Bank Notes (SBNs) and Other Denomination Notes (ODNs) held and transacted during the period from 08th November 2016 to 30th December 2016

S. No.	Particulars	SBNs	ODNs	Amount INR Total
1	Closing Cash in Hand on 08.11.2016	-	12,83,236	12,83,236
2	(+) Permitted Receipts	-	36,000	36,000
3	(-) Permitted Payments	-	77,190	77,190
4	(-) Amount deposited in Banks	-	-	-
5	Closing Cash in Hand on 30.12.2016	-	12,42,046	12,42,046

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT 31.03.2017

Note No.	Particulars
40	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.
41	Note: Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is: Nil (Nil)
42	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
43	Note: Additional information pursuant to Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 is annexed.

As per the report of even date attached

For GV & Co.,

Chartered Accountants

For and on behalf of the Board

Sd/-

Grandh Vittal

Proprietor

Membership No.206462

Firm Regn. No.012875S

Sd/-

ENJAMURI PARDHA SARADHI

Managing Director

DIN : 07531047

Sd/-

PARTHASARATHI PRATTIPATI

Director

DIN : 00004936

Place: Hyderabad

Date: 30.05.2017

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 Sunday 24th September, 2017 at 09.00 Hrs and ends on , Tuesday 26th September, 2017 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, 2017 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.
- (viii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <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	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <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).

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
 - (x) 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.
 - (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
 - (xii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
 - (xiii) 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.
 - (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
 - (xv) 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.
 - (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
 - (xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
 - (xviii) 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.
 - (xix) 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.
 - (xx) 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@cdslindia.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, Practising Company Secretary, Hyderabad as Scrutinizer for conducting the e-voting process for the Annual General Meeting

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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 25th Annual General Meeting of the shareholders of CITI PORT FINANCIAL SERVICES LIMITED on Wednesday 27th September, 2017 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

Proxy/

Signature of Shareholder/

Representative (Please Specify)

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	House No.8-3-678/42/5, 1st Floor, Santosh Manor, Navodaya Colony, Yellareddyguda, Hyderabad -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		
3	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 25th Annual general meeting of the company, to be held on the Wednesday 27th September, 2017 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 Mr. Enjamuri Pardha Saradhi as Director who retires by rotation.		
3.	Ratification of Statutory Auditors and fix their remuneration		

Signed this ____ day of _____.

Affix
Revenue
Stamp

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.

CITI PORT FINANCIAL SERVICES LIMITED

if undelivered please return to :

REGISTERED OFFICE

House No.8-3-678/42/5,Flat No.:306,
3rd Floor, Santosh Manor, Navodaya
Colony, Yellareddyguda,
Hyderabad-500073