

BOARD OF DIRECTORS

Sri M. MURALI KRISHNA	..	Chairman & Managing Director
Smt. M.V.N.S. SUSHMA	..	Director
Sri PRADEEP KUMAR	..	Director
Sri K. SRIDHAR	..	Director
Sri M. Karunakar	..	Director

REGISTERED OFFICE

27-1-102, II Floor,
Governorpet,
VIJAYAWADA-520 002.

AUDITORS

M/s. SESHADRY & COMPANY
Chartered Accountants
UGF 1 & 2, Ammana Estates
Prakasam Road, Governorpet,
VIJAYAWADA - 520 002.

BANKERS

PUNJAB NATIONAL BANK
VIJAYAWADA - 520 008

26th ANNUAL GENERAL MEETING

Day, Date	:	Monday 27th June, 2016
Venue	:	D.No.54-15-3, Ring Road Vijayawada - 8
Time	:	10.00 A.M.

NOTICE

NOTICE is hereby given that the Twenty Sixth Annual General Meeting of the members of the Company will be held on Monday, the 27th day of June, 2016, at D.No. 54-15-3, Srinagar Colony, Ring Road, Vijayawada-8 at 10.00 A M to transact the following business:

AS ORDINARY BUSINESS:

- 01 To receive and adopt the Audited Profit and Loss Account for the year ended 31st March 2016 and the Audited Balance Sheet as at that date and the report of the Directors' and Auditors thereon.
- 02 To appoint a Director in place of Smt. M.V.N.S. Sushma (Din:01890545), who retires by rotation and being eligible, offers herself for re-appointment.
- 03 To appoint M/s Seshadry & Co., Chartered Accountants, who retire at the conclusion of this Annual General Meeting, as auditors of the Company and for the purpose of the same, to pass, with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED that M/s Seshadry & Co, Chartered Accountants, Vijayawada be and are hereby re-appointed as Auditors of the Company to hold office until the conclusion of the next Annual General Meeting on a remuneration that may be fixed by the Board of Directors."

AS SPECIAL BUSINESS:

- 04 To consider, and if thought fit to pass, with or without modifications, the following resolution as an Ordinary Resolution for regularization of additional director Mr. M. Karunakar:

"**RESOLVED THAT** pursuant to the provisions of section 160 and 161 of the Companies Act, 2013 and other applicable provisions, Mr M Karunakar (DIN: 07256176) who was appointed as an Additional Director in the meeting of the Board of Directors held on 31.12.2015 and whose term expires on the date of the ensuing Annual General Meeting of the Company and for the appointment of whom the Company has received a notice in writing proposing his candidature for the office of the director, be and is hereby appointed as director of the Company."

Regd. Office:
27-1-102, II Floor
Governorpet, Vijayawada-2

Date: 23.05.2016

BY ORDER OF THE BOARD

(Sd/-)

(M. MURALI KRISHNA)
Chairman & Managing Director
DIN: 01889812

NOTICE**NOTES:**

01. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH A PROXY NEED NOT BE A MEMBER. THE PROXY FORMS, IN ORDER TO BE EFFECTIVE, SHALL BE LODGED WITH THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
02. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday the 23rd day of June, 2016 to Monday, the 27th day of June, 2016 (Both days inclusive).
03. Shareholders desiring any information as regards accounts are requested to write to the Company seven days before the date of the Meeting so as to enable the Company to keep the information ready at the meeting.
04. As a measure of economy copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies of the Annual Report to the Meeting.

PARTICULARS OF DIRECTORS RE-APPOINTED IN PURSUANCE TO CLAUSE 49 OF THE LISTING AGREEMENT

01. Smt. M.V.N.S. Sushma is a graduate in Science and has more than 20 years of experience in the fields of Hire Purchase and Construction. She is the director of M/s Siva Credits (P) Limited.
02. Sri M. Karunakar is a Graduate in Law and has more than 5 years of business experience. He has no other directorships.

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

ITEM NO. 4

The Board, at its meeting held on 31.12.2015 appointed Mr. M Karunakar as an additional director of the company with effect from 31.12.2015, pursuant to section 161 of the Companies Act, 2013. Hence, he will hold office up to the date of the ensuing Annual General Meeting.

Under Section 160 of the Companies Act, 2013 a notice proposing him for the directorship has been received, along with a deposit of Rs.1.00 Lakh, as required under the aforesaid section.

The Company has received from Mr M Karunakar his consent in writing to act as Director in form DIR-2 pursuant to Rule 8 of the Companies (Appointment and Qualifications of Directors) Rules, 2014; and intimation in Form DIR-8 in terms of Companies (Appointment and Qualifications of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of section 164 of the Companies Act, 2013.

The Board considers that his association would be of immense benefit to the Company and it is desirable to avail his services as Director. Accordingly, the Board recommends the resolution at item no. 4, in relation to appointment of Mr M Karunakar as Director, for the approval by the shareholders of the Company.

Except for Mr M Karunakar in case of resolution at item no. 4, none of the Directors of the Company is in any way concerned or interested in the resolution.

Regd. Office:

27-1-102, II Floor
Governorpet, Vijayawada-2

Date: 23.05.2016

BY ORDER OF THE BOARD

(Sd/-)

(M. MURALI KRISHNA)

Chairman & Managing Director

DIN: 01889812

SWARNA SECURITIES LIMITED

Regd. Office: II Floor, Swarnalok Complex, Vijayawada - 520 002

ATTENDANCE SLIP

NAME OF THE SHAREHOLDER * / PROXY *	FOLIO NO.	NO.OF SHARES HELD

I hereby record my presence at the 26th Annual General Meeting held at Vijayawada, Andhra Pradesh on Monday, the 27th Day of June, 2016 at D.No.54-15-3, Srinagar Colony, Ring Road, Vijayawada-8 at 10.00 A.M.

SIGNATURE OF THE SHAREHOLDER / PROXY

* Strike out whichever is not applicable.

NOTE: Please handover the slip at the entrance of the Meeting Venue.

SWARNA SECURITIES LIMITED

Regd. Office: II Floor, Swarnalok Complex, Governorpet, Vijayawada - 520 002

PROXY FORM

I/We of in the District of being a Member(s) of the above named Company hereby appoint of or failing him of in the district of as my/our proxy to attend and vote for me/us on my/our behalf at the 26th Annual General Meeting of the Company to be held on Monday, the 27th Day of June, 2016 at D.No.54-15-3, Srinagar Colony, Ring Road, Vijayawada-8 at 10.00 A.M.

Signed at this day of2016.

Folio No.

Number of Shares held :

Signature : Affix Re.1
Revenue
Stamp

NOTE: 1. The Proxy need not be a member.
2. The form of proxy, duly signed across Re.1/- Revenue Stamp should reach the Company, not less than 48 hours before the time fixed for the meeting.

SWARNA SECURITIES LIMITED 26th ANNUAL REPORT
CASH FLOW STATEMENT FOR THE YEAR 2015-16

	Rs.	Rs.
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of Share capital	0	
Proceeds from long term borrowing	0	
Repayment of finance / Lease liabilities	0	
Increase in other borrowings	0	
Dividend paid	0	
Public issue expenditure	0	
	-----	0
Net Cash used in Financing Activities		0
Net Increase in cash and cash equivalents		3436294
Cash & Cash Equivalents as at 01.04.2015 (Opening Balance)		2430163
Cash & Cash Equivalents as at 31.03.2016 (Closing Balance)		5866457
	2015-16	2014-15
Cash on Hand	256464	420678
Deposits & other investments	0	0
Sundry Debtors	0	0
Loans & Advances	5679993	2079485
	-----	-----
	5936457	2500163
Less : Current Liabilities	70000	70000
	-----	-----
	5866457	2430163

SWARNA SECURITIES LIMITED 26th ANNUAL REPORT
DIRECTORS' REPORT

Your Directors take pleasure in presenting their 26th Annual Report and the Audited Financial Statements of the Company for the year ending 31st March, 2016.

(Rupees in Lakhs)		
FINANCIAL RESULTS:	Current Year	Previous Year
Total Income	48.21	25.98
Less: Expenditure	67.00	13.62
	-----	-----
Profit before depreciation	-18.79	12.36
Less: Depreciation	00.14	00.16
	-----	-----
Profit before tax	-18.93	12.20
Less/Add: Provision for Taxation	00.36	06.02
	-----	-----
Profit after tax	-18.57	06.18
Less: Reserve Fund	00.00	02.44
	-----	-----
	-18.57	03.74
Add: Surplus carried forward	-61.94	-65.68
	-----	-----
Balance Carried to Balance Sheet	-80.51	-61.94

DIVIDEND:

Due to constraints of profit, the Board do not recommend any dividend for the year 2015-16.

REVIEW OF OPERATIONS:

The industry of hire purchase and lease finance is in a very bad shape with increased competition and lack of support. Even the segment of mortgage and real estate loans has become non-profitable with difficulty in the collection of the installments. With great difficulty the company could collect the installments which are utilised for reduction of secured liabilities. In this scenario the Board of Directors in their meeting held on 15/10/2015 has decided to come out of the NBFC business. Accordingly the certificate of registration issued by the Reserve Bank of India under the provisions of section 45-IA of the Reserve Bank Act, 1934 has been surrendered for cancellation. The Reserve Bank has duly passed an order dated 21/03/2016 cancelling the certificate of registration.

PUBLIC DEPOSITS:

The Company had neither accepted nor held any public deposits during the year under review. In pursuance to Clause 5 (Part III) of the Non-Banking Finance Companies (Reserve Bank) Directions, 1998, your Directors wish to state that as on 31st March, 2016 there are no depositors who have not claimed or to whom the amount was not paid by the Company after the date on which the deposits became due for repayment and as on date there are no deposits that are matured and remained unclaimed or deposits that are claimed and remained unpaid.

FUTURE PROSPECTS:

After coming out of the non-banking finance business as mentioned hereinabove, the Company is intending to venture in to real estate and development sector. Plans are afoot to diversify the activities of the company in to other business sectors.

DIRECTORS:

The Director Smt. M V N S Sushma retires by rotation in the ensuing Annual General Meeting and being eligible offers herself for reappointment.

The Additional Director Mr. M Karunakar, who was appointed by the Board at its meeting held on 31.12.2015, holds office only up to the date of the ensuing Annual General Meeting by virtue of section 161 of the Companies Act, 2013. A notice in writing has been received proposing him for directorship of the Company along with a deposit of Rs.1.00 lakh as required under section 160 of the Act. Mr M Karunakar has also given his consent to act as director.

DIRECTORS' RESPONSIBILITY STATEMENT:

Your Directors wish to confirm that:

- (i) in the preparation of annual accounts for the year ended 31st March, 2016, the applicable accounting standards read with

CASH FLOW STATEMENT FOR THE YEAR 2015 - 16

	Rs.	Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax and Extraordinary Items :		-1892720
Adjustment for :		
Depreciation	13435	
Lease Equalisation Account	0	
Preliminary Expenses written off	0	
Foreign Exchange	0	
Investments	0	
Profit / Loss on sale of Shares	0	
Profit / Loss on sale of Assets	4082070	
Interest / Dividend	-49197	

		4046308

Operating Profit before working Capital Changes		2153588
Adjustment for :		
Trade and other receivables	6214151	
Inventories	0	
Trade Payable	0	

		6214151

Cash Generated from operations		8367739
Interest Paid	0	
Direct Taxes paid / Refund	1414502	

		1414502

Cash Flow before Extraordinary Items		6953237
Extraordinary Items		0

Net Cash Flow from operating Activities		6953237
B. CASH FLOW FROM INVESTMENT ACTIVITIES		
Purchases of Fixed Assets	0	
Sale of Fixed Assets	-3566140	
Hirepurchase Disbursements	0	
Acquisition of Companies	0	
Purchase of Shares	0	
Sales of Shares	0	
Interest received	0	
Dividend Received	49197	
Net cash used in investing Activities		-3516943

14) RELATED PARTY TRANSACTIONS:

There are no transactions during the year with any of the related parties, to be disclosed in accordance with the Accounting Standard AS-18: "Related Party Disclosures" issued by The Institute of Chartered Accountants of India.

15) EARNING PER SHARE:

In determining earnings – per share, the Company considers the net profit after tax and includes the post tax effect of any extra-ordinary/ exceptional item. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period. The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share, and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares.

16) There was no expenditure on employees who are in receipt of remuneration covered in terms of the provisions of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 to furnish the particulars mentioned in Rule 5(1) thereof.

17) There was no consumption of imported raw materials, components or spare parts during the year.

18) There was no expenditure in foreign currency during the year.

19) There were no earnings in foreign currency.

20) Previous Year's Figures are regrouped wherever necessary

21) Paises are rounded off to the nearest rupee.

Note 1 to 20

Per our report of even date

For **SESHADRY & COMPANY**

CHARTERED ACCOUNTANTS

FRN : 004993S

L.S. RAJENDRA

Partner

M.No. 216211

For and on behalf of the Board

(Sd) **M. MURALI KRISHNA**

Managing Director

DIN : 01889812

(Sd) **M.V.N.S. SUSHMA**

Director

DIN : 01890545

requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;

- (ii) such accounting policies have been selected and applied consistently and judgments and estimates are made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at 31st March, 2016 and of the profit of the company for the year ended on that date;
- (iii) proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safe guarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) accounts for the financial year ended on 31st March, 2016 are prepared on a going-concern basis.
- (v) internal financial controls to be followed by the Company has been laid down and such internal financial controls are adequate and are operating effectively; and
- (vi) proper systems have been devised to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

INTERNAL FINANCIAL CONTROLS:

The Company has in place adequate internal financial controls with reference to the financial statements. During the year, such controls were tested and no reportable material weakness in design or operation were observed.

CONSERVATION OF ENERGY:

Your Company not being a manufacturing company, there are no particulars to be given in respect of Conservation of Energy and Technology Absorption as required under rule 8(3) of the Companies (Accounts) Rules, 2014.

STATUTORY AUDITORS:

M/s Seshadry & Company, the auditors of the Company, hold office till the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. They have confirmed their eligibility to the effect that their re-appointment, if made, would be within the limits prescribed under the Act and that they are not disqualified.

OBSERVATIONS OF AUDITORS:

The observations made in the audit report are self-explanatory as given in the notes of accounts attached thereto and do not call for any further comments. The Auditor's Report does not contain any qualification, reservation or adverse remark.

SECRETARIAL AUDITOR:

The Board has appointed Sri K. Hemachand, Practising Company Secretary, to conduct the Secretarial Audit for the financial year 2015-16. The Secretarial Audit Report for the financial year ended 31st March, 2016 is annexed herewith as "Annexure-I".

EXTRACT OF ANNUAL RETURN:

The details forming part of the extract of the Annual Return in Form MGT-9 is annexed herewith as "Annexure-II".

MEETINGS:

A calendar of meetings is prepared and circulated in advance to the Directors. During the year Twelve Board Meetings and four Audit Committee Meetings were convened and held; the details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

LISTING:

The shares of the Company were listed in BSE Ltd., Mumbai and the listing fee has been paid upto financial year 2016-17.

6) The Board of Directors in their meeting held on 15/10/2015 has decided to come out of the NBFC business. Accordingly the certificate of registration issued by the Reserve Bank of India under the provisions of section 45-IA of the Reserve Bank Act, 1934 has been surrendered for cancellation. The Reserve Bank has duly passed an order dated 21/03/2016 cancelling the certificate of registration. Thus, the Company is no longer in to NBFC business.

7) CONTINGENT LIABILITIES:

There are no contingent liabilities.

8) The Balances on account of Lease, Hire Purchase, Other Debtors and Sundry Creditors are subject to confirmation. There are no dues to any SSI as on 31.03.2016.

9) MANAGERIAL REMUNERATION:

No Remuneration is paid to the Managing Director.

10) PROVISION FOR NON-PERFORMING ASSETS:

In pursuance to the Non-Banking Financial Companies (Non-Deposit Accepting or Holding) Prudential Norms (Reserve Bank) Directions, 2007 provision for NPAs amounting to Rs. 66.27 Lakhs reversed during the year 2015-16.

11) TRANSFER TO RESERVE FUND

There being no profits during the year, the Company has not transferred any amount to the Statutory Reserve Fund under section 45-IC of the Reserve Bank of India Act, 1934.

12) The timing difference between taxable income and the income as per the books of accounts being insignificant, no deferred tax asset or liability has been recognized for the year.

13) SEGMENT REPORTING:

The Company, as of now, is engaged only in finance business. As such the Company's activity falls within a single business and therefore there are no additional disclosures to be provided under Accounting Standard (AS-17) "Segment Reporting", other than those already provided in the financial statements.

NOTE - 20
NOTES ON ACCOUNTS
SIGNIFICANT ACCOUNTING POLICIES

1) INCOME RECOGNITION:

- a) The Company recognises Hirepurchase Finance Charges, Interest on Hypothecation Loans on equal spread method and interest on loans on accrual basis.
- b) In pursuance to the Non-Banking Finance Companies Prudential Norms (Reserve Bank) Directions, 1998, the income on Hire Purchase, Lease and other Loan Accounts which have been classified as Non-Performing Assets has been accounted for on realisation basis.
- c) Additional Finance Charges and Dividends are accounted for as and when received. Dividend on Chit Subscription is accounted for on due basis.

2) FIXED ASSETS:

All the Fixed Assets including assets given on lease are stated in the Balance Sheet at cost less accumulated depreciation. Cost of acquisition of fixed assets is inclusive of insurance, compensation charges, freight, duties, taxes and cost of installation as applicable.

3) DEPRECIATION:

Depreciation is provided on Written Down Value Method based on the useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

4) INVESTMENTS: Investments are stated at cost.**5) STOCK OF SHARES IN TRADE:**

Stocks of shares in trade, where quoted, are valued scrip-wise at cost or market value as per quotations available as on the Balance Sheet date, whichever is less. Unquoted equity shares are valued at cost or break-up value, whichever is lower. Where the balance sheet of the invested company is not available, such shares are valued at one rupee.

CORPORATE GOVERNANCE:

A detailed report on Corporate Governance along with the certificate from the Auditors of the Company regarding compliance of Corporate Governance as stipulated under clause 49 of the listing agreement is attached to this report.

SUBSIDIARY COMPANIES:

The Company does not have any subsidiaries.

HUMAN RESOURCES:

There are no employees covered in terms of the provisions of section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 to furnish the particulars mentioned in Rule 5(1) thereof.

FOREIGN EXCHANGE INFLOW & OUTGO:

There has been no foreign exchange inflow or outgo in the current year.

APPRECIATION:

Your Directors wish to place on record their sincere appreciation to the Company's customers, Bankers, Financial Institutions and share holders for their continued support and faith in the Company. A word of appreciation is also due to the employees of the Company for their hard work and commitment.

For and on behalf of the Board

(Sd/-)

Place: VIJAYAWADA

Date : 23.05.2016

M. Murali Krishna
Chairman & Managing Director
DIN: 01889812

Annexure-I

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016

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

To,
The Members,
SWARNA SECURITIES LIMITED

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by SWARNA SECURITIES 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, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2016, complied with the statutory provisions listed here under 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.

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 March 31, 2016, according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the Rules made there under:
- ii. The Securities Contract (Regulation) Act, 1956('SCRA') and the Rules made there under:
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under.

The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')

NOTES TO FINANCIAL STATEMENTS

	FOR THE Y.E. 31/03/16	FOR THE Y.E. 31/03/15
Note - 18 : Administrative & Other Expenses		
Fees, Licences & Taxes	386376	710047
Postage and Telephones	2230	3255
Conveyance and Travelling	9800	7148
Printing and Stationery	9765	8159
Audit Fee - Satutory	20000	20000
Bank Charges	491	130
Legal Charges	2500	4850
Advertisement	24098	15130
Miscellaneous Expenditure	7368	10040
Repairs & Maintenance	18973	9888
Insurance	800	0
	482401	788647
Note - 19 : Provisions & Write Offs		
Provison / (Reversed) for NPAs	-6626518	233639
Bad Debts Written Off	12688369	0
	6061851	233639