

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 V.E.Ch. VIDYA SAGAR	..	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

27th ANNUAL GENERAL MEETING

Day, Date	:	Monday 26th June, 2017
Venue	:	D.No.54-15-3, Ring Road Vijayawada - 8
Time	:	10.00 A.M.

NOTICE

NOTICE is hereby given that the Twenty Seventh Annual General Meeting of the members of the Company will be held on Monday, the 26th day of June, 2017, 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:

1. To receive and adopt the Audited Profit and Loss Account for the year ended 31st March 2017 and the Audited Balance Sheet as at that date and the report of the Directors and Auditors thereon.
2. To appoint a Director in place of Sri Pradeep Kumar (DIN: 00827015), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Ms. Shilpa V. (M.No.225109), Chartered Accountant, as the Auditor of the Company in the place of M/s Seshadry & Company, Chartered Accountants who retire at the conclusion of this Annual General Meeting by virtue of the third proviso to sub-section (2) of section 139 of the Companies Act, 2013; and for the purpose of the same, to pass, with or without modifications, the following resolution as an Ordinary Resolution:

“RESOLVED THAT Ms. Shilpa V.(M.No.225109), Chartered Accountant,Vijayawada be and is hereby appointed as the Auditor of the Company pursuant to section 139 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder and the recommendation of the Audit Committee of the Board of Directors, for a period of five years, to hold office from the conclusion of this Annual General Meeting till the conclusion of the sixth annual general meeting counting from this Annual General Meeting, subject to the ratification of the members at every annual general meeting held after this meeting, on a remuneration as may be decided by the Board of Directors, in consultation with the Auditor.”

AS SPECIAL BUSINESS:

4. 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. V.Eshwara Chandra Vidya Sagar:

“RESOLVED THAT pursuant to the provisions of section 160 and 161 of the Companies Act, 2013 and other applicable provisions, Mr V. Eshwara Chandra Vidya Sagar (DIN: 07730724) who was appointed as an Additional Director in the meeting of the Board of Directors held on 01.03.2017 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: 27.05.2017

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 22rd day of June, 2017 to Monday, the 27th day of June, 2017 (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 Sri Pradeep Kumar is a Chartered Accountant and has more than 15 years experience in the fields of hire purchase finance and Administration.
- 02 Sri V.E.Ch. Vidya Sagar is a Post Graduate in Commerce and has more than 2 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 01.03.2017 appointed Mr. V.E.Ch. Vidya Sagar as an additional director of the company with effect from 01.03.2017, pursuant to section 161 of the Companies Act, 2013. Hence, he will hold office up to the date of the ensuring Annual General Meeting.

Under section 160 of 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 V. Eshwara Chandra Vidya Sagar 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 V.Eshwara Chandra Vidya Sagar as Director, for the approval by the shareholders of the Company.

Except for Mr V. Eshwara Chandra Vidya Sagar 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: 27.05.2017

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 27th Annual General Meeting held at Vijayawada, Andhra Pradesh on Monday, the 26th Day of June, 2017 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 27th Annual General Meeting of the Company to be held on Monday, the 26th Day of June, 2017 at D.No.54-15-3, Srinagar Colony, Ring Road, Vijayawada-8 at 10.00 A.M.

Signed at this day of2017.

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.

CASH FLOW STATEMENT FOR THE YEAR 2016-17

	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		1270530
Cash & Cash Equivalents as at 01.04.2016 (Opening Balance)		5866457
Cash & Cash Equivalents as at 31.03.2017 (Closing Balance)		7136987
	2016-17	2015-16
Cash on Hand	1306994	256464
Deposits & other investments	0	0
Sundry Debtors	0	0
Loans & Advances	5899993	5679993
	-----	-----
Less : Current Liabilities	7206987 70000	5936457 70000
	-----	-----
	7136987	5866457

DIRECTORS' REPORT

Your Directors take pleasure in presenting their 27th Annual Report and the Audited Financial Statements of the Company for the year ending 31st March, 2017.

FINANCIAL RESULTS:	(Rupees in Lakhs)	
	Current Year	Previous Year
Total Income	07.54	48.21
Less: Expenditure	03.99	67.00
	-----	-----
Profit before depreciation	03.55	-18.79
Less: Depreciation	00.14	00.14
	-----	-----
Profit before tax	03.41	-18.93
Less/Add: Provision for Taxation	00.30	00.36
	-----	-----
Profit after tax	03.11	-18.57
Add: Surplus carried forward	-80.51	-61.94
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Balance Carried to Balance Sheet	-77.40	-80.51

DIVIDEND:

Due to constraints of profit, the Board do not recommend any dividend for the year 2016-17

REVIEW OF OPERATIONS:

With the Surrender of the certificate of registration to the Reserve Bank of India, the Company has stopped the business of non-banking finance company. There has been no fresh issue of any loans during the year. The Company has only been collecting the outstanding dues from its borrowers.

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, 2017 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:

To appoint a Director in place of Sri Pradeep Kumar (DIN: 00827015), who retires by rotation and being eligible, offers himself for re-appointment.

The Additional Director Mr. V. Eshwara Chandra Vidya Sagar, who was appointed by the Board at its meeting held on 01.03.2017, 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. V. Eshwara Chandra Vidya Sagar 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, 2017, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;

CASH FLOW STATEMENT FOR THE YEAR 2016 - 17

	Rs.	Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax and Extraordinary Items :		341219
Adjustment for :		
Depreciation	14161	
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	0	
Interest / Dividend	-60617	

		-46456

Operating Profit before working Capital Changes		294763
Adjustment for :		
Trade and other receivables	2259100	
Inventories	0	
Trade Payable	0	

		2259100

Cash Generated from operations		2553863
Interest Paid	0	
Direct Taxes paid / Refund	0	

		0

Cash Flow before Extraordinary Items		2553863
Extraordinary Items		0

Net Cash Flow from operating Activities		2553863
B. CASH FLOW FROM INVESTMENT ACTIVITIES		
Purchases of Fixed Assets	0	
Sale of Fixed Assets	-1343950	
Hirepurchase Disbursements	0	
Acquisition of Companies	0	
Purchase of Shares	0	
Sales of Shares	0	
Interest received	0	
Dividend Received	60617	

Net cash used in investing Activities		-1283333

15) DISCLOSURE ON SPECIFIED BANK NOTES:

In terms of the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016, the transactions in SBNs and other notes as per the notification is given below:

	SBNs	Other Denomination Notes	Total
Closing balance as at 08/11/2016	0	1,85,601	1,85,601
Transactions between 09/11/2016 and 30/12/2016			
<u>Add:</u> Withdrawal from bank accounts	0	50,000	50,000
Receipts from permitted transactions	0	0	0
Receipts from non-permitted transactions	0	0	0
<u>Less:</u> Paid for permitted transactions	0	0	0
Paid for non-permitted transactions	0	20,570	20,570
Deposited in bank accounts	0	0	0
Closing balance as at 30/12/2016	0	2,15,031	2,15,031

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 were no earnings or expenditure in foreign currency during the Year.

19) Previous Year's Figures are regrouped wherever necessary

20) Paises are rounded off to the nearest rupee.

Note 1 to 19

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

- (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, 2017 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, 2017 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:

By the operation of the third proviso to sub-section (2) of section 139, M/s Seshadry & Company, Chartered Accountants, who retire by the conclusion of the ensuing Annual General Meeting, are liable for rotation. The Audit Committee has recommended the name of Ms. Shilpa V. (M.No.225109), Chartered Accountant, Vijayawada for appointment as the Auditor of the Company. She has confirmed her eligibility to the effect that her appointment, if made, would be within the limits prescribed under the Act and that she is not disqualified to be so appointed.

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 Mr. K. Hemachand, Practising Company Secretary, to conduct the Secretarial Audit for the financial year 2016-17. The Secretarial Audit Report for the financial year ended 31st March, 2017 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 Ten 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.

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 31.03.2017.

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. 1.71 Lakhs reversed during the year 2016-17.

- 11) 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.

12) 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.

13) 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.

14) 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.