



T.S.LAKSHMIVENKATARAMAN, B.Com., F.C.A.,
Chartered Accountant

“ Gokulam ”

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF M/s. LUNKAR FINANCE PRIVATE LIMITED

Report on the Standalone Financial Statements

I have audited the accompanying standalone financial statements of **M/s. Lunkar Finance Private Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016 and the Statement of Profit and Loss for the year then ended, and a summary of the 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 of these standalone financial statements that give a true and fair view of the financial position and financial performance 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 of 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

My responsibility is to express an opinion on these standalone financial statements based on my audit. I 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.

I have conducted my audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that I 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,



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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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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.

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

Opinion

In my opinion and to the best of my information and according to the explanations given to me, 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 31st March, 2016, and its profit/loss for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, I give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, I report that:
 - a) I have sought and obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of my audit.
 - b) In my opinion, proper books of account as required by law have been kept by the Company so far as it appears from my examination of those books.
 - c) The Balance Sheet and the Statement of Profit and Loss dealt with by this Report are in agreement with the books of account.
 - d) In my 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 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.



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- f) 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 my opinion and to the best of my information and according to the explanations given to me:
- The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 14.a to the financial statements;
 - The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise.
 - There has not been an occasion in the case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise.

T.S.LAKSHMIVENKATARAMAN

Chartered Accountant

(M. No. 022214)

Place: Chennai
Date: 24.05.2016





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ANNEXURE TO THE AUDITORS' REPORT

The Annexure referred to in my report to the members of Lunkar Finance Private Limited ('the Company') on the standalone financial statements for the year Ended on 31st March 2016. We report that:

- 1 The Company does not own any fixed assets and the provisions of the order relating to fixed assets does not apply to the Company.
- 2 (a) As explained to me, the Company's Stock in trade comprises of stock of Securities held by the Company in physical form and the inventories have been physically verified by the management at the year-end. In my opinion, the frequency of such verification is reasonable.
(b) In my opinion and according to the information and explanations given to me, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
(c) In my opinion and according to the information and explanations given to me, the Company is maintaining proper records of inventories and no material discrepancies were noticed on physical verification.
- 3 According to the information and explanations given to me, the Company has not granted any loans, secured or unsecured, to companies, firms and other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, sub-paragraphs (a) & (b) are not applicable to the Company.
- 4 In my opinion, and according to the information and explanations given to me, there are adequate internal control procedures commensurate with the size of the Company and nature of its business, with regard to the purchase of inventory and fixed assets and for the sale of goods. During the course of my audit, I have not observed any continuing failure to correct major weaknesses in internal controls.
- 5 The Company has not accepted deposits from the public during the year covered under Section 73 to 76 of the Companies Act, 2013.
- 6 The Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013 for any of the activities of the Company.
- 7 (a) According to the information and explanations given to me, in my opinion, the Company has been regular in depositing undisputed statutory dues including PF, ESI, Income Tax, Sales Tax, Value Added Tax, Wealth Tax, Service Tax, Customs



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Duty, Excise duty, Cess and any other material statutory dues as applicable, with the appropriate authorities during the year. According to information and explanations given to me, no undisputed amounts payable in respect of PF, ESI, Income Tax, Sales Tax, Value Added Tax, Wealth Tax, Service Tax, Customs Duty, Excise duty, Cess and any other material statutory dues were in arrears as at 31st March 2016, for a period of more than six months from the date they became payable.

- (b) According to the records of the Company, there are no dues of Income-tax, Sales-tax, Wealth-tax, Service-tax, Custom Duty, Excise Duty or Cess which have not been deposited on account of any dispute.
- (c) There has not been an occasion in the case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of reporting delay in transferring such sums does not arise.

- 8 The Company has no accumulated losses at the end of the financial year and has incurred cash losses during the financial year under audit and also during the immediately preceding financial year.
- 9 In my opinion and according to information and explanations given to me and based on my examination of documents and records, the company has not defaulted in the repayment of dues to Banks and Financial Institutions. There are no debenture holders.
- 10 In my opinion and according to the information and explanations given to me, the Company has not given any guarantee for loans taken by others from Banks and Financial Institutions during the year.
- 11 The Company has not raised any term loans during the year.
- 12 According to the information and explanations given to me, no fraud on or by the Company was noticed or reported during the year.

T.S.LAKSHMIVENKATARAMAN

Chartered Accountant

(M. No. 022214)

Place: Chennai
Date: 24.05.2016



LUNKAR FINANCE PRIVATE LIMITED

A 21, III Phase, Thiru-Vi-Ka-Industrial Estate, Guindy, Chennai - 600032

CIN : U65929TN1999PTC041812

Balance Sheet as at 31-Mar-2016

Particulars	Note	Current Year 31-Mar-2016	Previous Year 31-Mar-2015
		₹	₹
EQUITY AND LIABILITIES			
Shareholder's Funds			
(a) Share Capital	2	4214300	4214300
(b) Reserves and Surplus	3	159587333	159731783
(c) Money received against share warrants		0	0
Share application money pending allotment		0	0
Non-Current Liabilities			
(a) Long-term borrowings		0	0
(b) Deferred tax liabilities (Net)		0	0
(c) Other Long term liabilities		0	0
(d) Long-term provisions		0	0
Current Liabilities			
(a) Short-term borrowings		0	0
(b) Trade payables		0	0
(c) Other current liabilities	4	153058	42908
(d) Short-term provisions	5	0	0
TOTAL		163954691	163988991
ASSETS			
Non-current assets			
(a) Fixed assets			
(i) Tangible assets		0	0
(ii) Intangible assets		0	0
(iii) Capital work-in-progress		0	0
(iv) Intangible assets under development		0	0
(v) Fixed assets held for sale		0	0
(b) Non-current investments		0	0
(c) Deferred tax assets (net)		14450	14450
(d) Long term loans and advances		0	0
(e) Other non-current assets			0
Current assets			
(a) Current investments		0	0
(b) Inventories (Shares)	6	1300000	1300000
(c) Trade receivables		0	0
(d) Cash and cash equivalents	7	163720	220820
(e) Short-term loans and advances		22800	0
(f) Other current assets	8	162453721	162453721
Total		163954691	163988991

Significant Accounting policies

1

The Notes referred to above form an integral part of the accounts and should be read in conjunction therewith.

This is the Balance Sheet referred to in our report For and on behalf of the Board of even date.

T S LAKSHMIVENKATARAMAN

Chartered Accountant

Membership No. 022214

Place: Chennai

Date: 24/05/2016



A NITHYA
DIRECTOR

DIN : 00125357

P MURALIDASAN
DIRECTOR

DIN : 02186774

LUNKAR FINANCE PRIVATE LIMITED

A 21, III Phase, Thiru-Vi-Ka-Industrial Estate, Guindy, Chennai - 600032

CIN : U65929TN1999PTC041812

Profit and Loss statement for the year ended 31-Mar-2016

	Note	Current Year 31-Mar-2016	Previous Year 31-Mar-2015
		₹	₹
Revenue from operations	9	-	0
Other Income	10	-	0
Total Revenue		-	0
Expenses:			
Cost of materials consumed		-	0
Purchases of stock-in-trade	11	-	0
Changes in inventories of finished goods, work-in-	12	-	0
Employee benefit expense		-	0
Other expenses	13	144,450	47083
Finance costs		-	0
Depreciation and amortization expense		-	0
Total Expenses		144,450	47083
Profit / (Loss) before exceptional and		(144,450)	-47083
Exceptional Items		-	0
Profit / (Loss) before extraordinary items and tax		(144,450)	-47083
Extraordinary Items		-	0
Profit / (Loss) before tax		(144,450)	-47083
Tax expense:			
(1) Current tax		-	0
(2) Deferred tax		-	0
(3) Prior year Taxes		-	0
Profit/(Loss) for the period from Continuing		(144,450)	-47083
Operations			
Profit / (Loss) from discontinuing operations		-	0
Profit / (Loss) for the year		(144,450)	-47083
Earning per equity share:	14		
(1) Basic		(0.34)	-0.11
(2) Diluted		(0.34)	-0.11

The Notes referred to above form an integral part of the accounts and should be read in conjunction therewith.

This is the Balance Sheet referred to in our report For and on behalf of the Board of even date.



T S LAKSHMIVENKATARAMAN

Chartered Accountant

Membership No. 022214

Place: Chennai

Date: 24/05/2016



A NITHYA
DIRECTOR

DIN : 00125357



P MURALIDASAN
DIRECTOR

DIN : 02186774



NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

Note 1: Significant Accounting Policies

- a. **Basis of Preparation of Financial Statements:** The financial statements have been prepared on the historical cost convention, on an accrual basis and comply in all material respect with the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and all the relevant provisions of the Act.
- b. **Method of Accounting :** The Company follows mercantile system of accounting and recognises income and expenditure on accrual basis.
- c. **Use of Estimates :** The preparation of the financial statements in conformity with the GAAP requires that the Management makes estimates and assumptions, which affect the reported amounts of assets and liabilities, disclosure of contingent liabilities, as at the date of the financial statements, and the reported amounts of revenue and expenses during the year under report. Contingencies are recorded, when it is probable that a liability will be incurred and the amount can be reasonably estimated. Actual results could differ from those estimates.
- d. **Revenue Recognition :** The Company recognises income on accrual basis.
- e. **Taxes :** Provision for income tax is made on the basis of taxable income for the current accounting year, in accordance with the provisions of the Income Tax Act, 1961.
- f. **Deferred Tax** resulting from timing differences of material amounts between Book Profits and Tax Profits is accounted for at the applicable rate of Tax to the extent the timing differences are expected to crystallise, in case of Deferred Tax Liabilities with reasonable certainty and in case of Deferred Tax Assets with virtual certainty that there would be adequate future taxable income against which Deferred Tax Assets can be realised.
- g. **Earnings per share :** In determining earnings per share, the Company considers the net profit after tax and includes the post tax effect of extra-ordinary / exceptional item, if any. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period.
- h. **Provisions, Contingent Liabilities and Contingent Assets:** Provisions are made for present obligations arising out of past events, which are likely to result in an outflow of resources embodying economic benefits at an amount, which can be reliably estimated. Items not classified as provisions as envisaged above are treated as contingent liabilities, which are disclosed by way of a note and are not provided for in the books of accounts.
- i. **Current / Non-current:** All assets and liabilities are presented as Current or Non-current as per the Company's normal operating cycle and other criteria set out in the Revised Schedule VI of the Companies Act, 1956. The Company has considered its operating cycle as 12 months for the purpose of Current / Non-current classification of assets and liabilities.
- j. **Stock in Trade:** The securities acquired with the intention of short-term holding and trading positions are considered as stock - in - trade and disclosed as Inventories under Current assets. The securities held as stock - in - trade are valued at cost or net realisable value whichever is lower.

Particulars	Current Year 31-Mar-2016	Previous Year 31-Mar-2015
	₹	₹
Note: 2		
Share Capital		
(a) Authorised		
430,000 Equity Shares of Rs. 10/- each (31-Mar-2013 : 430,000 Equity Shares of Rs. 10/- each)	4,300,000	4300000
	4,300,000	4300000
(b) Issued, Subscribed and Fully Paid up		
421,430 Equity Shares of Rs. 10/- each (31-Mar-2013 : 421,430 Equity Shares of Rs. 10/- each)	4,214,300	4214300
	4,214,300	4214300

Note: 2.1

The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity share is entitled to one vote per share.

The Company declares and pays dividends in Indian Rupees. The dividend, if any, proposed by the Board of Directors, is subject to the approval of the shareholders in the ensuing Annual General Meeting of the Company.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the No. of Equity Shares held by the shareholders.

Note: 2.2

Shareholders holding more than 5% of equity shares as at the end of the year

Name of Shareholder	31st March 2016		31-Mar-15	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Greatful Mercantile Pvt Ltd.	211,500	50.19%	211,500	50.19%
Sanskar Dealcom Pvt Ltd.	209,930	49.81%	209,930	49.81%

Note: 2.3

Bonus Shares/Buy Back/Shares for consideration other than Cash issued during past five years

(a) Aggregate number and class of shares allotted as fully paid up pursuant to contracts without payment being received in cash	NIL
(b) Aggregate number and class of shares bought back	NIL
(c) Aggregate number and class of shares allotted as fully paid by way of Bonus Shares	NIL

Particulars	Current Year 31-Mar-2016	Previous Year 31-Mar-2015
Note: 3	₹	₹
Reserves & Surplus		
Securities Premium Account		
Opening Balance	158796000	158796000
Add: Premium on fresh issue of Shares	-	0
	158796000	158796000
General Reserve		
Opening Balance	505029	505029
Add: Transferred from surplus in Statement of Profit and Loss		0
	505029	505029
Statutory Reserve (as per RBI regulations)		
Opening Balance	386926	386926
Add: Transferred from surplus in Statement of Profit and Loss		
For the period- FY 2007-08 to FY 2011-12	0	0
For the FY 2012-13	0	0
	386926	386926
Balance in Profit & Loss Account		
Opening Balance	43828	90911
Add: Profit for the period	-144450	-47083
Amount available for appropriations	-100622	43828
Less: Appropriations		
Transfer to Statutory Reserve - From FY 2007-08 to FY 2011-12	0	0
Transfer to Statutory Reserve - FY 2012-13	0	0
Taxes relating to prior years	0	0
Closing Balance	-100622	43828
	159587333	159731783

In accordance with the provisions of section 45-IC of the RBI Act, 1934, the Company has a Reserve and during the year since there were no profits the Company has not transferred any amount to the said Reserve.

Particulars	Current Year 31-Mar-2016	Previous Year 31-Mar-2015
Note: 4	₹	₹
Other Current Liabilities		
Audit Fees Payable	22900	
Consultancy fees payable	11450	
Advance received from customers	-	0
Other Payables	118,708	42908
	153,058	42908

Particulars	Current Year 31-Mar-2016	Previous Year 31-Mar-2015
Note: 5	₹	₹
Short Term Provisions		
Provision for Current Taxes	-	0
	-	0

Particulars	Current Year 31-Mar-2016	Previous Year 31-Mar-2015
Note: 6	₹	₹
Inventories		
Stock in Trade (Stock of Shares & Securities held for Trading)	1,300,000	1300000
	1,300,000	1300000

Particulars	Current Year 31-Mar-2016	Previous Year 31-Mar-2015
Note: 7	₹	₹
Cash and Cash equivalents		
Cash on hand	951	1051
Balances with banks - in current accounts	162,769	219769
	163,720	220820

Particulars	Current Year 31-Mar-2016	Previous Year 31-Mar-2015
Note: 8	₹	₹
Other Current Assets		
Advances towards purchase of Shares & securities	1,700,000	1700000
Advance paid towards Equity Shares subscription	160,386,346	160386346
Advance Tax/ Tds deducted (receivables)	367,375	367375
	162,453,721	162453721

Particulars	Current Year 31-Mar-2016	Previous Year 31-Mar-2015
Note: 9	₹	₹
Revenue from Operations		
Sale of Securities	-	0
	-	0

Particulars	Current Year 31-Mar-2016	Previous Year 31-Mar-2015
Note: 10	₹	₹
Other Income		
Interest Income	-	0
Consultancy Fees	-	0
Interest Received on Income Tax Refund	-	0
Current Liabilities written back	-	0
	-	0

Particulars	Current Year 31-Mar-2016	Previous Year 31-Mar-2015
Note: 11	₹	₹
Purchase of Stock in Trade		
Securities purchased (Trading)	-	0
	-	0

Particulars	Current Year 31-Mar-2016	Previous Year 31-Mar-2015
Note: 12	₹	₹
Changes in Inventories of Finished goods, Work in Progress and Stock in Trade		
Opening Stock		
Stock for Trading	1,300,000	1300000
	1,300,000	1300000
Closing Stock		
Stock for Trading	1,300,000	1300000
	1,300,000	1300000
Decrease/ (Increase) in Inventories	-	0

Particulars	Current Year 31-Mar-2016	Previous Year 31-Mar-2015
Note: 13	₹	₹
Other Expenses		
Rent	-	0
Rates and Taxes	-	0
Remuneration to auditors	-	34200
Audit Fees	22,900	
Consulting Fees	11,450	
Postage & Telephones	-	0
Professional & Consultancy Charges	1,10,000	2000
Bank Charges	-	2253
Miscellaneous Expenses	-	0
Deferred Revenue expenditure written off	-	0
Travelling & Conveyance	-	8630
Filing fees	100	
	1,44,450	47083

Particulars	Current Year 31-Mar-2016	Previous Year 31-Mar-2015
Note: 14	₹	₹
Earnings Per Share		
Basic & Diluted		
Net profit / (loss) for the year	(144,450)	-47083
Less: Preference dividend and tax thereon	-	0
Net profit / (loss) for the year attributable to the equity shareholders	(144,450)	-47083
Weighted average number of equity shares	421,430	421430
Par value per share	10	10
Earnings per share - Basic	(0.34)	-0.11

Particulars		Current Year 31-Mar-2016	Previous Year 31-Mar-2015
Note: 15- Other Notes:			
a. Contingent Liabilities not provided for			
1	Claims against the company not acknowledged as debts	Nil	Nil
2	Guarantees	Nil	Nil
3	Others	Nil	Nil
b. Commitments			
1	Estimated amounts of contracts remaining to be executed on capital account and not provided for	Nil	Nil
2	Uncalled liability on shares and other investments partly paid	Nil	Nil
3	Others	Nil	Nil
c. Payment to Auditor, inclusive of Service Tax :			
	Audit Fees including Tax Audit	34200	33708
d.	Earnings in foreign exchange	Nil	Nil
e.	Expenditure in foreign currency	Nil	Nil
f.	Value of Imports on CIF basis	Nil	Nil
g.	Amounts remitted during the year in	Nil	Nil
h.	Details of Closing stock of Shares:		

Name of the Company	As at March 31, 2016		As at March 31, 2015	
	Nos	Amount in Rs. Lakhs	Nos	Amount in Rs. Lakhs
Ferromet Steels P Ltd	13,000	13	13,000	13

i.	There are no transactions for the year ended March 31, 2015 with Micro, Small and Medium enterprises and as such no balance is outstanding as at March 31, 2015.
j.	Deferred Tax: In accordance with Accounting Standard (AS) - 22 'Taxes on Income', deferred tax is recognised in respect of timing difference arising in and capable of reversal in future. As of year-end, the deferred tax asset is on account of timing differences relating to carried forward business losses of the current year.
k.	Previous year's figures have been regrouped / reclassified whenever necessary to correspond with the current year's classification / disclosure.

As per our report of even date

For and on behalf of the Board

T S LAKSHMIVENKATARAMAN

Chartered Accountant
Membership No. 022214
Place: Chennai
Date: 24/05/2016



A NITHYA
DIRECTOR

DIN : 00125357

P MURALIDASAN
DIRECTOR

DIN : 02186774