



**SVARAJ TRADING  
AND  
AGENCIES LIMITED**

**ANNUAL REPORT  
2015-16**

**Registered Office : Office No. 30 , 380/82  
Amruteshwar Cooperative Housing Soc. Ltd., 2<sup>nd</sup>  
Floor , Jagannath Sunkersett Road , Mumbai ,  
Maharashtra - 400 002**

## SVARAJ TRADING AND AGENCIES LIMITED

### Annual Report: 2015-16

<b>CIN</b>	:	L51100MH1980PLC022315
<b>Registered office</b>	:	Office No. 30, 2nd Floor, 380/82 Amruteshwar CHSL, Jagannath Sunkersett Road, Mumbai-400002.
<b>Board of Directors</b>	:	Mr. Shankar Das Vairagi                      Director Mr.Harendra Kumar Gupta                Managing Director Ms.Rekha Soni                                Director Mr.Rajeev Sharma                         Independent Director Mr.Varun Kumar Choubisa                Independent Director Mr.Yashawant Kumar Choubisa         Independent Director
<b>Chief Financial Officer</b>	:	Mr. Rajesh Jivanlal Purohit
<b>Company Secretary</b>	:	Ms. Vaibhavi Shah
<b>Bankers</b>	:	Axis Bank Limited
<b>Statutory Auditors</b>	:	S.G. Kabra & Co, Chartered Accounts
<b>Share Registrar &amp; Transfer Agent</b>	:	System Support Services 209, Shivalik Industrial Estate 89, AndheriKurla Road Andheri (East), Mumbai - 400 072
<b>Website</b>	:	<a href="http://www.svarajtrading.com/">http://www.svarajtrading.com/ /</a>

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## NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 36<sup>th</sup> Annual General Meeting of the Members of **Svaraj Trading and Agencies Limited** will be held on Friday, September 23, 2016 at Acme Plaza Bldg. No. -2 Fifth Floor, Andheri Kurla Road, Andheri (East) Mumbai- 400059 at 10.00 a.m. to transact the following business:

### Ordinary Business:

1. To receive, consider and adopt the financial statements of the Company for the financial year ended on 31<sup>st</sup> March 2016 including the audited Balance Sheet as at 31<sup>st</sup> March 2016 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Shankar Das Vairagi, who retires by rotation and being eligible, offered himself for re-appointment
3. To consider and, if thought fit, to pass, with or without modification, the following resolution as an ordinary resolution:  
"RESOLVED that M/s. S G Kabra & Co., Chartered Accountants (Firm Registration No.104507W), the retiring Auditors be re-appointed as Auditors of the Company pursuant to Section 139 of the Companies Act, 2013, (the "Act"), the Companies (Audit and Auditors) Rules, 2014 and such other applicable provisions, if any, of the Act or Rules framed there-under from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company;

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to fix the remuneration payable and the reimbursement of out-of-pocket expenses, if any, to the said Auditors."

### Special Business

4. *To consider and, if thought fit, to pass, with or without modification, the following resolution as an ordinary resolution;*  
"RESOLVED that Mr. Varun Kumar Choubisa (DIN: 07412698), who was appointed as an additional Director of the Company and holds the office until the conclusion of ensuing Annual General Meeting, pursuant to section 161 of Companies Act, 2013, (the "Act"), the companies (Appointment and Qualification of Directors) Rules, 2014 and such other applicable provisions, if any, of the Act or Rules framed there-under and in respect of whom the Company has received a notice from a member under section 160 of the companies Act, 2013, proposing his candidature, for appointment as a Director of the Company be and is hereby appointed as an Independent Director of the Company to hold the office for a period of five years till February 11, 2021
5. *To consider and, if thought fit, to pass, with or without modification, the following resolution as an ordinary resolution;*

“RESOLVED that Mr.Yashawant Kumar Choubisa (DIN: 07412700), who was appointed as an Additional Director of the Company and holds the office until the conclusion of ensuing Annual General Meeting, pursuant to section 161 of Companies Act, 2013,(the “Act”), the companies (Appointment and Qualification of Directors) Rules, 2014 and such other applicable provisions, if any, of the Act or Rules framed there-under and in respect of whom the Company has received a notice from a member under section 160 of the companies Act, 2013, proposing his candidature, for appointment as a Director of the Company be and is hereby appointed as an Independent Director of the Company to hold the office for a period of five years till February 11, 2021.”

**By Order of the Board of Directors of  
Svaraj Trading and Agencies Limited**

**Sd/-**

Harendra Kumar Gupta  
Managing Director  
DIN: 05335662

**Registered Office:**

Office No. 30, 2nd floor  
380/82 Amruteshwar CHSL,  
JagannathSunkersett Road.  
Mumbai - 400002

Place: Mumbai,

Dated:August 10, 2016

**Notes:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING OF THE COMPANY IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER.
2. A person can act as proxy on behalf of Members not exceeding 50 (fifty) and holding in the aggregate not more than 10 (ten) percent of the total share capital of the Company carrying voting rights. A member holding more than 10 (ten) percent of the total share capital of the Company carrying voting rights may appoint a single person as Proxy and same person shall not act as Proxy for any other person or shareholder.
3. The instrument appointing the Proxy, duly completed and signed, must be deposited at the registered office of the Company not less than 48 hours before the commencement of the Meeting. A proxy does not have the right to speak at the meeting and can vote only on a poll.
4. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 with respect to the special business listed in item no. 4& 5 of the Notice is annexed hereto and forms part of this Notice.
5. The Register of Members of the Company shall remain closed from Saturday, September 17, 2016 toFriday, September 23, 2016 (both days inclusive).
6. This notice is being sent to all the members, whose names appear in the Register of Members/ Records of Depositories as on the close of working hours on August 26, 2016.
7. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the registered office of the Company during normal business hours (9.00

am to 5.00 pm) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.

8. The Notice of the Annual General Meeting is being sent electronically to all the shareholders who have registered their email addresses with the Company / Depositories and to the other shareholders by Speed Post / Registered Post / Courier.
9. Members seeking clarifications on the Annual Report are requested to send in written queries to the Company at least one week before the date of the Meeting. This would enable the Company to compile the information and provide replies in the meeting.
10. In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management & Administration) Rules, 2014, the Company is pleased to offer Remote e-voting facility which will enable the members to cast their votes electronically on all the resolutions set out in the notice. The Board of Directors has appointed ManojMimani,partner R M Mimani& Associates LLP, Company Secretaries (ACS 17083, CP 11601) as Scrutinizer for conducting the electronic voting process in a fair and transparent manner.
11. E-voting Facility: (i)The e-voting period commences on Tuesday, September 20, 2016 (9.00 a.m.) and ends on Thursday, September 22, 2016 (5.00 p.m.). The Remote e-voting module shall be disabled for voting thereafter. (ii) The Company has engaged Central Depository Services (India) Limited ("CDSL") to offer Remote e-voting facility to all its members to enable them to cast their vote electronically.
12. Voting rights will be reckoned on the paid-up value of the shares registered in the name of the members as on the cut-off date i.e. September 16, 2016. The Scrutinizer, after scrutinizing the votes cast at the 36<sup>th</sup>Annual General Meeting, and through remote e-voting will, not later than three days of the conclusion of the 36<sup>th</sup>Annual General Meeting, make a consolidated report and submit the same to the Chairman/Managing Director. The resultsalongwith the consolidated scrutinizer's report shall be placed on the website of the Company and on the website of CDSL within three days from the conclusionof the 36<sup>th</sup> Annual General Meeting. The results shall simultaneously be communicated to the Stock Exchange.
13. The Voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company.
14. The equity shares of the Company are mandated for trading in the compulsory demat mode. The ISIN No. allotted for the Company's shares is INE406N01014.
15. Members / Proxies are requested to bring attendance-slip along with their copy of Annual Report to the Meeting.
16. Members desiring to exercise their vote by using e-voting facility should carefully follow the instructions given below.
  - a. The shareholders should log on to the e-voting website: [www.evotingindia.com](http://www.evotingindia.com)
  - b. Click on Shareholders Tab.
  - c. Enter your User ID:
    - i. For CDSL: [16 digits beneficiary ID];
    - ii. For NSDL: [8 Character DP ID followed by 8 Digits Client ID];
    - iii. Members holding shares in physical form should enter folio number registered with the Company.
  - d. Enter the image verification as displayed and click on login If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and have cast your vote earlier for EVSN of any company, then your existing password is to be used.

- e. If you are a first time user, follow the steps given below and fill the appropriate boxes: for members holding shares in demat form and physical form: PAN\* enter your 10 digit alpha-numeric \*PAN issued by Income Tax Department (in capital) (Applicable for both demat shareholders as well as physical shareholders)
- f. 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. The Sequence Number is printed on the Attendance Slip.
- g. In case the sequence number is less than 8 digits, enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field. DOB Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format. Dividend Bank Details# Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. # please enters 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
- h. After entering these details appropriately, click on "SUBMIT" tab.
- i. Members holding shares in physical form will then directly reach the EVSN 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.
- j. For members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- k. Click on the relevant EVSN for SvarajTrading and Agencies Limited on which you choose to vote.
- l. 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.
- m. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details. 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.
- n. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- o. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- p. If demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

- q. Non-Individual shareholders (i.e. other than Individuals, HUF, NRI, etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporate. A scanned copy of the registration form bearing the stamp and signature of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com). After receiving the login details a 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](mailto: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.
17. Pursuant to Section 107 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, there will not be voting by show of hands on any of the agenda items at the Meeting and poll will be conducted in lieu thereof.
18. Profile of Directors being Appointed  
As required by SEBI (Listing Obligation and disclosure requirements) Regulations, the particulars of Directors who are proposed to be appointed or re-appointed are given below.

## **EXPLANATORY STATEMENT**

The following Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013 sets out all material facts relating to the business mentioned in item no. 4 & 5 of the accompanying Notice of the Annual General Meeting.

### **Item No. 4**

Mr. Varun Kumar Choubisa (DIN: 07412698) was appointed as an additional Director of the Company with effect from February 12, 2016 by the Board of Directors of the Company. In terms of Section 161(1) of the Companies Act, 2013, Mr. Varun Kumar Choubisa holds office upto the date of this Annual General Meeting and being eligible for re-appointment as a Director of the Company. The Company has received a notice from a shareholder of the Company in writing along with requisite deposit under Section 160 of the Act, proposing his candidature for the office of Director. A statement containing his profile is given as per Annexure 1.

In terms of Section 149 and any other applicable provisions, if any, of the Companies Act, 2013, Mr. Varun Kumar Choubisa being eligible, is proposed to be appointed as an Independent Director of the Company for a period of five years ended on February 11, 2021

In the opinion of the Board Mr. Varun Kumar Choubisa fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Varun Kumar Choubisa as an Independent Director.

Accordingly, the Board recommends the resolution in relation to appointment of Mr. Varun Kumar Choubisa as an Independent Director of the Company for the approval by the shareholders of the Company.



Except Mr. Varun Kumar Choubisa, being an appointee, none of the other Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financial or otherwise, in the resolution as set out at Item No.4.

**Item No. 5**

Mr. Yashawant Kumar Choubisa (DIN: 07412700) was appointed as an additional Director of the Company with effect from February 12, 2016 by the Board of Directors of the Company. In terms of Section 161(1) of the Companies Act, 2013, Mr.Yashawant Kumar Choubisaholds office upto the date of this Annual General Meeting and being eligible for re-appointment as a Director of the Company. The Company has received a Notice from the shareholder of the Company in writing along with requisite deposit under Section 160 of the Act, proposing his candidature for the office of Director of the Company. A statement containing his profile is given as per Annexure 1.

In terms of Section 149 and any other applicable provisions, if any, of the Companies Act, 2013, Mr. Yashawant Kumar Choubisa being eligible, is proposed to be appointed as an Independent Director for a period of five years ended on February 11, 2021.

In the opinion of the Board, Mr. Yashawant Kumar Choubisafulfills the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Yashawant Kumar Choubisaas an Independent Director.

Accordingly, the Board recommends the resolution in relation to appointment of Mr. Yashawant Kumar Choubisaas an Independent Director, for the approval by the shareholders of the Company.

Except Mr.Yashawant Kumar Choubisa, being an appointee, none of other the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.5.

**DETAILS OF DIRECTORS SEEKING APPOINTMENT AND RE-APPOINTMENT AS REQUIRED UNDER SEBI LISTING REGULATIONS;**

<b>Particulars</b>	<b>Director</b>
Name of the Director	Mr. Shankar Das Vairagi
DIN	01869965
Date of Birth	27/08/1953
Date of appointment on the Board	29/03/2013
Qualification	Under Graduate
Expertise	More than 30 years' experience in business & industry
Relationship with Director	Executive Director
Directorship in other Companies	Nil
Membership/Chairmanship in Committees	01 Committee Membership
Shareholding in the Company	4,36,660

2.

<b>Particulars</b>	<b>Director</b>
Name of the Director	Mr. Varun Kumar Choubisa
DIN	07412698
Date of Birth	15/07/1967
Date of appointment on the Board	12/02/2016
Qualification	M.com, B.Ed.
Expertise	More than 10 years' experience in business & industry
Relationship with Director	Independent Director
Directorship in other Companies	None
Membership/Chairmanship in Committees	03 Committee Membership 02 Committee Chairmanship
Shareholding in the Company	None

3.

<b>Particulars</b>	<b>Director</b>
Name of the Director	Mr. Yashawant Kumar Choubisa
DIN	07412700
Date of Birth	03/03/1983
Date of appointment on the Board	12/02/2016
Qualification	BSC
Expertise	More than 10 years' experience in business & industry
Relationship with Director	Independent Director
Directorship in other Companies	None
Membership/Chairmanship in Committees	01 Committee Membership
Shareholding in the Company	None

**By Order of the Board of Directors of  
Svaraj Trading and Agencies Limited**

**Sd/-**

Harendra Kumar Gupta  
Managing Director  
DIN: 05335662

**Registered Office:**

Office No. 30, 2nd floor  
380/82 Amruteshwar CHSL,  
JagannathSunkersett Road.  
Mumbai - 400002

Place: Mumbai,  
Dated: August 10, 2016

## DIRECTORS' REPORT AND MANAGEMENT DISCUSSION & ANALYSIS

Dear Members,  
SVARAJ TRADING AND AGENCIES LIMITED

The Directors are pleased to present the 36<sup>th</sup> Annual Report together with the Audited Financial Statements for the financial year ended March 31, 2016. The Management Discussion and Analysis is also included in this Report.

### 1. FINANCIAL PERFORMANCE

The brief financial results of the Company are as detailed below:

Particulars	[In Rs.]	
	Year ended 31 <sup>st</sup> March 2016	Year ended 31 <sup>st</sup> March 2015
Total Revenue	73,772,830	98,448,012
Profit/(Loss) before taxation	10,728,189	21,094,485
Less: Tax Expense	3,547,061	4,818,832
<b>Profit/(Loss) after tax</b>	<b>7,181,128</b>	<b>16,275,653</b>

### 2. OPERATION AND STATE OF THE AFFAIRS OF THE COMPANY

During the financial year ended on March 31 2016, your Company reported a negative growth in revenue from operation over the previous year. The revenue from operations stood at Rs. 7.38 crores as compared with Rs. 9.84 crores in the previous year. The profit before tax stood at Rs. 1.07 crores as against profit of Rs. 2.11 crores in the previous year. The net profit for the year stood at Rs. 0.72 crores against profit of Rs. 1.63 crores reported in the previous year.

At present your Company is doing its existing line business to the optimum use of its resources and is taking the effort to improve its Earning per Share (EPS) and management has no plan of venturing into any new business.

### 3. CORPORATE OVERVIEW

During the year the company is in the business of general trading. There is no change in nature of the business of the Company. The Company has its registered office at Mumbai.

### 4. OVERVIEW OF THE ECONOMY AND ANALYSIS

As per the latest GDP growth estimates, Indian economy grew by 7.9% in FY 16 compared to 7.4% in FY 15, mostly driven by improved economic fundamentals and revision of GDP methodology calculation. Even inflation showed signs of moderation, a welcome sign - wholesale price and consumer price inflation declined. Reduced inflation, falling crude oil prices, stable Rupee, improved purchasing power and consumer spending, higher capital inflows supported by the government policy reforms have already put India on an accelerating growth track an improved the business outlook.

Reforms like e-auctions of coalmines and telecom, FDI hike in insurance, speedier regulatory approvals etc. will be critical growth enablers to de-bottleneck stalled projects, improve the investment outlook and the ease of doing business in the country. Reforms currently underway

such as GST implementation, Amendment on Land Acquisition Bill, Labour Reforms, etc. are expected to provide the requisite thrust for growth in the medium-term.

### **Opportunities and Challenges**

Being a major employer in India coupled with strong industry linkages with the rural economy augurs trading activities as one of the most significant sectors with an incremental growth potential. Rural economy has seen a spurt in income levels the last few years and this is the right time to promote trade and investment. Being one of the key focus sectors under the Government's "Make in India" campaign is a testimony to the huge growth potential the trading and investment activities. Globally, favourable trade policy reforms would also allow the trade and investment to expand its trade partners, improve its export competitiveness and contribute substantially to the nation's income.

However, the trading and investment are constrained with many challenges including rising costs (wages, inventory and interest costs), intensified competition from other low cost countries and political risk to implement the reforms like GST etc. Such issues need to be addressed to result in unlocking maximum growth potential.

#### **5. DIVIDEND AND RESERVES**

In order to retain the surplus of the Company for its future growth and operation, your Directors do not recommend any dividend for the financial year ended on March 31, 2016.

#### **6. SHARE CAPITAL**

The paid up equity share capital as at March 31, 2016 stood at Rs. 147,500,000 (Rupees Fourteen crores Seventy five lacs). There is no change in the share capital of the company during the financial year.

#### **7. SUBSIDIARY AND ASSOCIATES COMPANIES**

As on March 31, 2016, the Company has no subsidiary or associates company or joint ventures company.

#### **8. CONSOLIDATED FINANCIAL STATEMENT**

The Company is not required to consolidate its financial statements in terms of the provision of Section 129(3) of the Companies Act, 2013 and Rules made there-under during the financial year.

#### **9. CORPORATE GOVERNANCE**

A Report on Corporate Governance, as required in terms of the provisions of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 together with the Auditor's Certificate thereon is annexed herewith.

#### **10. EXTRACT OF ANNUAL RETURN**

The details forming part of the extract of the Annual Return in form MGT-9, as required under Section 92 of the Companies Act, 2013, is annexed herewith as Annexure - A and forms an integral part of this report.

#### **11. DIRECTORS AND KEY MANAGERIAL PERSONNEL**

- In terms of the provision of section 152 of the Companies Act, 2013 and of Articles of Association of the Company, Mr. Shankar Das Vairagi, Directors of the Company retires by rotation at the ensuing Annual General Meeting and being eligible, seeks re-appointment.
- Mr. Varun Kumar Choubisa, additional Director (Independent, Non-Executive) of the Company holds office upto the date of this Annual General Meeting is eligible, recommended for appointment as Independent Director of the Company for a period of five years.
- Mr. Yashawant Kumar Choubisa, additional Director (Independent, Non-Executive) of the Company holds office upto the date of this Annual General Meeting is eligible, recommended for appointment as Independent Director of the Company for a period of five years.
- Mr. Praveen Gelra Ceased to be Chief Executive officer of the Company with effect from 30.01.2016
- Mr. Rajesh Jivanlal Purohit is appointed as Chief Financial Officer of the Company with effect from 12.02.2016.
- Ms. Vaibhavi Shah is appointed as a Company Secretary of the Company with effect from 28.03.2016.
- All Independent Directors had furnished to the Company a declaration under Section 149(7) of the Companies Act, 2013 stating that they meet criteria of Independence as provided under section 149(6) of the Companies Act, 2013 and SEBI Listing Regulations.

## **12. BOARD EVALUATION, INDUCTION AND TRAINING OF BOARD MEMBERS**

Pursuant to the provisions of the Companies Act, 2013 the Board has carried out an annual performance evaluation of its own performance, the Directors individually as well as evaluation of the working of the Board and its Committees, culture, execution and performance of specific duties, obligations and governance.

The performance evaluation of the Independent Directors was completed. The performance evaluation of the Chairman and the Non-independent Directors was carried out by the Independent Directors. The Board of Directors expressed their satisfaction with the evaluation process.

The process followed by the Company for induction and training to Board members has been explained in the Corporate Governance Report.

## **13. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY COMPANY**

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

## **14. WHISTLE BLOWER POLICY**

The Company has a whistle blower policy to report genuine concerns or grievances. The Whistle Blower policy has been posted on the website of the Company. ([www.svarajtrading.com](http://www.svarajtrading.com))

## **15. REMUNERATION AND NOMINATION POLICY**

The Board of Directors has framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company.

This policy also lays down criteria for selection and appointment of Board Members. . The remuneration and nomination policy has been posted on the website of the Company ([www.svarajtrading.com](http://www.svarajtrading.com)).

**16. RELATED PARTY TRANSACTIONS AND POLICY**

The Company has developed a related party transactions framework through standard operating procedures for the purpose of identification and monitoring of transactions with the related parties.

The policy on related party transactions as approved by the Board of Directors has been uploaded on the website of the Company. None of the Directors has any pecuniary relationship or transactions vis-d-vis the Company.

The details of transactions entered into with the related parties are given here-in-below in form AOC-2 in terms of the provision of section 188(1) including certain arm's length transactions:

**A. Details of contract or arrangement or transactions not at arms' length basis ; Nil**

a.	Name(s) of the related party and nature of relationship	NA
b.	Nature of contract /arrangements/transaction	NA
c.	Duration of contract /arrangements/transaction	NA
d.	Salient terms of contract /arrangements/transaction including the value, if any,	NA
e.	Justification for entering into such contract / arrangements/ transaction	NA
f.	Date(s) of approval by the Board	NA
g.	Amount paid as advances , if any,	NA
h.	Date on which special resolution was passed in general meeting as required under first proviso to section 188	NA

**B. Details of contract or arrangement or transactions at arms' length basis :**

a.	Name(s) of the related party and nature of relationship	NA
b.	Nature of contract /arrangements/transaction	NA
c.	Duration of contract /arrangements/transaction	NA
d.	Salient terms of contract/arrangements/transaction including the value, if any,	NA
e.	Date(s) of approval by the Board	NA
f.	Amount paid as advances , if any,	NA

**17. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

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

**18. DIRECTORS' RESPONSIBILITY STATEMENT**

To the best of knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statement in terms of Section 134(3)(c) of the Companies Act, 2013:

- i. that in the preparation of the Annual Accounts for the year ended March 31, 2016, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

- ii. and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2016 and of the profit of the Company for the year ended on that date;
- iii. that the Directors have taken proper and sufficient care 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 have been prepared on a going concern basis;
- v. that the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- vi. That the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**19. STATUTORY AUDIT**

M/s S. G. Kabra & Co., Chartered Accountants, (Firm Registration No: 104507W) who are the Statutory Auditors of the Company hold office up to the forthcoming Annual General Meeting and are recommended for re-appointment to carry out the audit the accounts of the Company for the financial year 2016-17. As required under the provisions of Section 139 of the Companies Act, 2013, the Company has obtained written confirmation from M/s.S.G.Kabra & Co. that their re-appointment, if made, would be in conformity with the limits specified in the said Section.

**20. COST AUDIT**

Provision of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 are not applicable to the Company during the financial year under review.

**21. SECRETARIAL AUDIT**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made thereunder, the Company has appointed M/s R M Mimani & Associates LLP, Company Secretaries to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith as Annexure - B and forms an integral part of this report.

**22. INTERNAL FINANCIAL CONTROL AND THEIR ADEQUACY**

Your Company has policies, procedures and effective internal controls for ensuring orderly and efficient conduct of the business, safeguard of its assets, prevention and detection of fraud and errors, accuracy and completeness of the accounting record, timely preparation of financial statements and proper disclosure.

During the financial year, such controls were tested and no reportable material weakness in the design or operation was observed.

The internal and operational audit is conducted on regular basis. The main thrust of internal audit is to test and review controls, appraisal of risks and business processes, besides benchmarking controls with best practices in the industry.

**23. RISK MANAGEMENT**

During the financial year under review, the Company has identified and evaluates elements of business risk. Consequently a Business Risk Management framework is in place. The risk

management framework defines the risk management approach of the Company and includes periodic review of such risks and also documentation, mitigating controls and reporting mechanism of such risks. The framework has different risk models which help in identifying risks trend, exposure and potential impact analysis at a Company level as also separately for business.

Some of the risks that the Company is exposed to are:

#### Financial Risks

The Company's policy is to actively manage its various financial risks within the framework laid down. Given the interest rate fluctuations, the Company has adopted a prudent and conservative risk mitigation strategy to minimize interest costs.

#### Commodity Price Risks

The Company is exposed to the risk of price fluctuation of goods in which it trades. The Company proactively manages these risks through forward booking, inventory management and proactive vendor development practices.

#### Regulatory Risks

The Company is exposed to risks attached to various statutes and regulations. The Company is mitigating these risks through regular review of legal compliances carried out through internal as well as external compliance audits.

### 24. CORPORATE SOCIAL RESPONSIBILITY (CSR)

Provision of Schedule VII of the Companies Act, 2013 read with Companies Corporate Social Responsibility Policy) Rules, 2014 are not applicable to the Company during the year under review.

### 25. ENVIRONMENT AND SAFETY

The Company is conscious of the importance of environmentally clean and safe operations. The Company's policy requires conduct of operations in such a manner, so as to ensure safety of all concerned, compliances environmental regulations and preservation of natural resources.

As required by the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, the Company has formulated and implemented a policy on prevention of sexual harassment at workplace with a mechanism of lodging complaints. Its redressal is placed on the intranet for the benefit of its employees.

During the year under review, no complaints were reported to the Board.

### 26. STATUTORY INFORMATION

- The information on conservation of energy, technology absorption and foreign exchange earnings and outgo pursuant to Section 134(3)(m) of the Companies Act, 2013, read with the Rule 8(3) of the Companies (Accounts) Rules, 2014 are not applicable to the Company during the financial year under review.
- The information required under Section 197 of the Companies Act, 2013 read with rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable to the Company during the financial year under review.



- The Company has not accepted any deposits, within the meaning of Section 73 of the Companies Act, 2013, read with the Companies (Acceptance of Deposits) Rules, 2014.
- The Business Responsibility Reporting as required under SEBI (LODR), 2015 and is not applicable to your Company for the financial year under review.
- Disclosure as required under para F of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are not applicable to the Company during the financial year.

## 27. CAUTIONARY STATEMENT

Statements in this Directors' Report & Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied.

## 28. APPRECIATION

Your Directors wish to thank all the stakeholders who have contributed to the success of your Company. Your Directors wish to place on record their appreciation, for the contribution made by the employees at all levels. Your Directors also wish to thank its customers, dealers, agents, suppliers, investors and bankers for their continued support and faith reposed in the Company.

**For and on behalf of the Board of Directors of  
SVARAJ TRADING AND AGENCIES LIMITED**

Sd/-  
Harendra Kumar Gupta  
Managing Director  
DIN:05335662

Sd/-  
Shankar Das Vairagi  
Director  
DIN:01869965

Place: Mumbai  
Dated: August 10, 2016



State Govt.										
Bodies Corporate										
Banks/Fi										
Any other										
Sub Total (A)(1)	1,161,100	-	1,161,100	7.87%	1,161,100	-	1,161,100	7.87%	0.00%	
2. Foreign										
NRIs Individual										
Other Individual										
Bodies										
Banks/FiIs										
Sub Total (A)(2)										
Total Promoters Shareholding (1+2)	1,161,100	-	1,161,100	7.87%	1,161,100	-	1,161,100	7.87%	0.00%	
B. Public Shareholding										
1. Institutions										
Mutual Fund										
Banks/FiIs										
Central Govt.										
State Govt.										
Venture Capital										
Insurance Co.										
FiIs										
Foreign Venture Capital										
Others										
Sub Total (B)(1)										
2. Non Institutions										
Bodies Corp.										
i. Indian	6,145,384		6,145,384	41.67%	6,933,458	-	6,933,458	47.01	5.34%	
ii. Overseas										
Individuals										
i. Nominal share capital uptoRs. 2lacs	30,375	900	31,275	0.21%	50,993	900	51,893	0.35	0.14%	
ii. Nominal share capital in excess ofRs. 2lacs	7,412,241	-	7,412,241	50.25%	6,603,549	-	6,603,549	44.77	(-5.48%)	
Others , specify										
Clearing Members/Directors/Relatives /Employees										
NRI/Foreign National / Overseas Bodies Corporates										
Sub Total (B)(2)	13,588,000	900	13,588,900	92.13%	13,588,000	900	13,588,900	92.13%	0.00%	
Total Public Shareholding (2A+2B)	13,588,000	900	13,588,900	92.13%	13,588,000	900	13,588,900	92.13%	0.00%	
C. Shares held by Custodian for GDRs and ADRs										
Gran Total (A+B+C)	14,749,100	900	14,750,000	100.00	14,749,100	900	14750000	100.00%	0.00%	

ii. Shareholding of promoters

Name of the Shareholder	No. of Shares held at the beginning of the year ( As on April 01, 2015)			No. of Shares held at the end of the year ( As on March 31, 2016)			% change in share holding during the year
	No. of shares	% of total Capital	% of shares pledged/encumbered to total shares	No. of shares	% of total Capital	% of shares pledged/encumbered to total shares	
Harendra Gupta	312,220	2.12%	N.A	312,220	2.12%	NA	NIL

Rekha Soni	412,220	2.79%	N.A	412,220	2.79%	NA	NIL
Shanka Das Vairagi	436,660	2.96%	N.A	436,660	2.96%	NA	NIL

iii. Change in promoters' shareholding (Please specify, if there is no change)

Name of the promoter Shareholder	No. of Shares held at the beginning end of the year		Changes during the year			Cumulative shareholding during the year	
	No. of shares	% of total Capital	Date	Increase(+) Decrease(-) during the year	Reason	No. of shares	% of total Capital
Harendra Gupta	312,220	2.12%	NIL	NIL	NIL	312,220	2.12%
Rekha Soni	412,220	2.79%	NIL	NIL	NIL	412,220	2.79%
Shanka Das Vairagi	436,660	2.96%	NIL	NIL	NIL	436,660	2.96%
At the end of the year	1,161,100	7.87%				1,161,100	7.87%

iv. Shareholding pattern of to ten shareholders (Other than Directors, promoters and holder of GDRs and ADRs)

Name of each top ten Shareholder	No. of Shares held at the beginning end of the year		Changes during the year			Cumulative shareholding at the end of year	
	No. of shares	% of total Capital	Date	Increase(+) Decrease(-) during the year	Reason	No. of shares	% of total Capital
Madan LalPaliwal	868,890	5.89	2015-16	15,938	Purchased by Share holder	884,828	5.99
SatyalaxmiVinimay Pvt. Ltd.	538,190	3.65	2015-16	342,168	Purchased by Share holder	880,358	5.97
Madan LalPaliwal (HUF)	877,671	5.95	2015-16	2,171	Purchased by Share holder	879,842	5.97
Moonview Mercantile Pvt. Ltd	360,471	2.44	2015-16	292,102	Purchased by Shareholder	652,573	4.42
Unicorp World Pvt. Ltd	626,737	4.25	2015-16	Nil	Nil	626,737	4.25
Assorted infra-projects Pvt. Ltd	592,301	4.02	2015-16	Nil	Nil	592,301	4.02
Afterlinkapartment Pvt. Ltd	522,965	3.55	2015-16	Nil	Nil	522,960	3.55
Dinanath Suppliers Private limited	455,270	3.09	2015-16	66250	Purchase by Shareholder	521,520	3.54
Muchmore Builders Private limited	504,386	3.42	2015-16	Nil	Nil	504,386	3.42

KBK Mercantile LLP	500,000	3.39	2015-16	Nil	Nil	500,000	3.39
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v. Shareholding of Directors and Key Managerial Personnel (KMP)

Name of the Director or KMP	No. of Shares held at the beginning end of the year		Changes during the year			Cumulative shareholding at the end of the year	
	No. of shares	% of total Capital	Date	Increase(+) Decrease(-) during the year	Reason	No. of shares	% of total Capital
Harendra Gupta	312,220	2.12%	NIL	NIL	NIL	312220	2.12%
Rekha Soni	412,220	2.79%	NIL	NIL	NIL	412220	2.79%
Shanka Das Vairagi	436,660	2.96%	NIL	NIL	NIL	436660	2.96%
Rajeev sharma	893	0.01%	NIL	NIL	NIL	893	0.01%
*ChaturBhuj Chauhan	800	0.01%	NIL	NIL	NIL	800	0.01%

\* Ceased to be a Director with effect from 12/02/2016

5. **Indebtedness** - Indebtedness includes interest outstanding/accrued but not due for payment

Particulars	Secured loans excluding deposit	Unsecured loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the year</b>				
<ul style="list-style-type: none"> <li>Principal Amount</li> <li>Interest due but not paid</li> <li>Interest accrued but not due</li> </ul>	NIL	NIL	NIL	NIL
<b>Total</b>	NIL	NIL	NIL	NIL
<b>Change in Indebtedness during the year</b>				
<ul style="list-style-type: none"> <li>Addition</li> <li>Reduction</li> </ul>		90,000		90,000
<b>Net Changes</b>	NIL	90,000	NIL	90,000
<b>Indebtedness at the end of the year</b>				
<ul style="list-style-type: none"> <li>Principal Amount</li> <li>Interest due but not paid</li> <li>Interest accrued but not due</li> </ul>		90,000		90,000
<b>Total</b>	NIL	90,000	NIL	90,000

6. **Remuneration of Directors and Key Managerial Personnel**

(a) Remuneration to Managing Director, Whole-time Director and or Manager

Sr. No.	Particulars of Remuneration	Name of the MD/WTD/Manager			Total Amount
		MD	WTD	Manager	
1.	Gross Salaries a) Salary as per provision				

	contained in section 17(1) of Income Tax Act, 1961 b) Value of perquisites u/s 17(2) of Income Tax Act, 1961 c) Profit in lieu of salary u/s 17(3) of the Income Tax Act, 1961	NIL	NIL	NIL	NIL
2.	Stock option	NIL	NIL	NIL	NIL
3.	Sweet equity	NIL	NIL	NIL	NIL
4.	Commission a) as % of profit b) others	NIL	NIL	NIL	NIL
5.	Others, (sitting fees)	Nil	NIL	NIL	Nil
	<b>Total</b>	Nil	NIL	NIL	Nil
	Ceiling as per the Act	NA	NA	NA	NA

(b) Remuneration to other Directors

Sr. No.	Particulars of Remuneration	Name of the Directors			Total Amount
		Mr. Rajeev Sharma	Mr. Chaturbhuj Chauhan	Mr. Heeralalchhipa	
1.	Independent Directors a) Fee for attending meetings b) Commission c) Others, specify	12,500	12,500	12,500	37,500
	<b>Total -1</b>	12,500	12,500	12,500	37,500
		Ms. RekhaSoni	Mr. Shankar Das Vairagi		
2.	Other Executive- Directors a) Fee for attending meetings b) Commission c) Others, specify	2,500	12,500		15,000
	<b>Total -2</b>	2,500	12,500	Nil	15,000
	<b>Total (1+2)</b>	15,000	25,000	12,500	52,500
	Total Managerial Remuneration	15,000	25,000	12,500	52,500
	Ceiling as per the Act	NA	NA	NA	NA

(c) Remuneration to Key Managerial Personnel

Sr. No.	Particulars of Remuneration	Name of the CEO/CFO/CS			Total Amount
		CEO	CFO	CS	

1.	Gross Salaries d) Salary as per provision contained in section 17(1) of Income Tax Act, 1961 e) Value of perquisites u/s 17(2) of Income Tax Act, 1961 f) Profit in lieu of salary u/s 17(3) of the Income Tax Act, 1961	NIL	72,580	4,500	77,080
2.	Stock option	NIL	NIL	NIL	NIL
3.	Sweet equity	NIL	NIL	NIL	NIL
4.	Commission c) as % of profit d) others	NIL	NIL	NIL	NIL
5.	Others, please specify	NIL	NIL	NIL	NIL
	<b>Total</b>	NIL	72,580	4,500	77,080

7. **Penalties/Punishment/Compounding of offences**

Type	Section of the Companies Act	Brief Description	Details of Penalties/Punishment/Compounding fee imposed	Authority	Appeal made, if any,
<b>Company</b>					
Penalty					
Punishment					
Compounding					
<b>Directors</b>					
Penalty	-----	-----	-----NIL-----	-----	-----
Punishment					
Compounding					
<b>Other officers in default</b>					
Penalty					
Punishment					
Compounding					

**Annexure B**  
**Form No. MR.3**

**Secretarial Audit Report for the financial year ended on March 31, 2016**

[Pursuant to Section 204(1) of the Companies Act, 2013 and the Rule 9 of the companies  
(Appointment and remuneration of managerial personnel) Rule, 2014]

To,  
**The Members**  
**Svaraj Trading and Agencies Limited**  
**Mumbai**

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Svaraj Trading and Agencies 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 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 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:

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 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, Overseas Direct Investment and External Commercial Borrowings;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (**'SEBI Act'**) to the extent applicable to the Company;
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers)Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements)Regulations, 2009;
  - d. 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;
- VI. During the financial year the Company is engaged in investment and general trading activities and are not subject to any specific law, hence no specific law is applicable to the Company.



We have also examined compliance with the applicable clauses of the following;

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India
- (ii) The SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015
- (iii) The listing agreement entered into by the Company with Stock Exchange in India.

We report that, during the financial year under review, the Company has complied with the provisions of the Act, rules, regulations, guidelines as mentioned above and further report that, there was no action/event in pursuance of;

- a) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- b) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- c) The Securities and Exchange Board of India (Issue of Debt Securities) Regulations, 2008
- d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999

We have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company and test verification on random basis carried out for compliances under other applicable Acts, Laws and Regulations to the Company

The compliance by the Company of the applicable direct tax laws, indirect tax laws and other financial laws has not been reviewed in this Audit, since the same have been subject to review by the other designated professionals and being relied on the reports given by such designated professionals.

We further report that, based on the information provided and representation made by the Company and also on the review of compliance reports of the respective department heads taken on record by the Board of Directors of the Company, in our opinion adequate system and process exists in the company commensurate with the size and operations of the Company to monitor and ensure compliance with the applicable general laws like labour laws, competition law and environmental laws.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive, Non-Executive 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 generally at least seven days in advance, and in view of the non-existence formal system, we are not in position to comment on existence of system for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meeting duly recorded and signed by the Chairman, majority decision carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that during the financial year, there were no specific event/action that can have major bearing on the company.

For R M MIMANI & ASSOCIATES LLP  
[COMPANY SECRETARIES]

**MANOJ MIMANI**

**(PARTNER)**

ACS No: 17083

CP No : 11601

Place: Mumbai

Dated: August 10, 2016

**Note: This report is to be read with our letter of even date which is annexed as "Annexure A" and forms and integral part of this report.**

To,  
The Members  
**Svaraj Trading and Agencies Limited**  
**Mumbai**

Our Secretarial Audit Report of even date is to be read along with this letter;

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit;
2. We have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion;
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company;
4. Where ever required, we have obtained the Management Representation about the compliance of laws, rules and regulation and happening of events etc.;
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis;
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **R M MIMANI & ASSOCIATES LLP**  
**[COMPANY SECRETARIES]**

**MANOJ MIMANI**  
**(PARTNER)**

ACS No: 17083

CP No : 11601

Place: Mumbai

Dated: August 10, 2016

## Report on Corporate Governance

The Company's philosophy on Code of Corporate Governance strives to follow the good corporate governance practices, transparency, accountability and better communication in order to have a culture of compliance and obligation at every level of the organization. The Company is in compliance with the provisions of Corporate Governance specified in the listing agreement and SEBI (LODR), Regulations, 2015. The Company is committed to meet the expectations of all the stakeholders as a responsible corporate citizen.

- **Board of Directors**

### Composition of the Board of Directors

The Company is fully compliant with the Corporate Governance norms in terms of constitution of the Board of Directors ("the Board"). The Board of the Company is composed of individuals from diverse fields. The Board of the Company is composed of Executive and Non-Executive Directors. As on March 31, 2016, the strength of the Board was six Directors comprising of three executive and three non-executive Directors of the Company. Fifty per cent of the Board comprised of Independent Directors. The details of the Board of Directors as on March 31, 2016 are given below:

Name of the Director	Designation	Date of Joining	No. of Directorships / Committee Memberships / Chairmanships			
			Public Limited Companies	Private Limited and Section 8 Companies	Committee Memberships	Committee Chairmanships
Mr. Shankar Das Vairagi	Executive Director	29.03.2013	01	Nil	01	Nil
Mr. Harendra Kumar Gupta	Managing Director	29.03.2013	01	Nil	02	Nil
Mrs. RekhaSoni	Executive Director	29.03.2013	01	Nil	Nil	Nil
Mr. Rajeev Sharma	Independent Director	29.03.2013	02	Nil	04	02
Mr. Varun Kumar Choubisa	Independent Director	12.02.2016	01	Nil	03	02
Mr. Yashawant Kumar Choubisa	Independent Director	12.02.2016	01	Nil	01	Nil

During the financial year ended on March, 31, 2016, Mr. HeeraLalChipa and Mr. ChaturBhuj Chauhan resigned from the Board of the Company and Mr. Varun Kumar Choubisa and Mr.Yashawant Kumar Choubisa was appointed as an additional Director (Independent Non-Executive) with effect from February 12, 2016.

As on March 31, 2016 Mr. Shankar Das Vairagi, Mr. Harendra Kumar Gupta, Mrs. RekhaSoni, Mr. Rajeev Sharma and Mr. Chaturbhuj Chauhan holding 436,660, 312,220, 412,220, 893 and 800 equity shares of the Company respectively. Except above, no other Director or their relative hold shares of the Company.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 (“the Act”) and SEBI (LODR), Regulations, 2015

- **Board Meetings**

The Board/Committee meetings are pre-scheduled and proper notices of Board and Committee meetings is circulated to the Directors well in advance to enable them to plan their schedules and to ensure their meaningful participation in the meetings.

During the financial year under review, 07 (Seven) Board meetings were held on 23/05/2015, 07/08/2015, 27/08/2015, 05/11/2015, 04/12/2015, 12/02/2016 and 28/03/2016. The gap between two Board meetings was in compliance with the provisions contained in the Act and the SEBI (LODR), Regulations, 2015. Details of Directors as on March 31, 2016 and their attendance at the Board meetings and Annual General Meeting (“AGM”) during the financial year ended March 31, 2016 are given here-in-below below:

**Attendance of Directors at Board meetings and Annual General Meeting**

Name of the Directors	Attendance at the Board meetings held on							Attendance at the AGM held on 25.09.2015
	23.05.15	07.08.15	27.08.15	05.11.15	04.12.15	12.02.16	28.03.16	
Mr. Shankar Das Vairagi	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Harendra Kumar Gupta	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Rajeev Sharma	✓	✓	✓	✓	✓	✓	✓	✓
Mrs. RekhaSoni	Leave of absence	✓	✓	Leave of absence	Leave of absence	Leave of absence	Leave of absence	✓
*Mr. HeeraLalChipa	✓	✓	✓	✓	✓	✓	N.A	✓
*Mr. ChaturBhuj Chauhan	✓	✓	✓	✓	✓	✓	N.A	✓
**Mr. Varun Kumar Choubisa	N.A	N.A	N.A	N.A	N.A	N.A	✓	N.A
**Mr. Yashawant Kumar Choubisa	N.A	N.A	N.A	N.A	N.A	N.A	✓	N.A

\* Ceased to be a Directorwith effect from 12/02/2016

\*\*Inducted with effect from 12/02/2016

- **Audit Committee**

The role of the Audit Committee is in accordance with the provisions of Section 177 of the Companies Act, 2013 and of SEBI (LODR), Regulations, 2015;

During the financial year, the Audit Committee met four (4) times on 23/05/2015, 07/08/2015, 05/11/2015 and 12/02/2016. Constitution of the Audit Committee and attendance at their meetings during the financial year ended March 31, 2016 are given below:

Name of the Member Director	Category	No. of the Meeting held	No of the Meeting attended
Mr. Rajeev Sharma	Chairman of the Committee & Independent Director	04	04
*Mr. Heera Lal Chipa	Member & Independent Director	04	04
*Mr. Chatur Bhuj Chauhan	Member & Independent Director	04	04
**Mr. Varun Kumar Choubisa	Member & Independent Director	04	Nil
Mr. Harendra Kumar Gupta	Member & Managing Director	04	Nil

\* Ceased to be a member with effect from 12/02/2016

\*\*Inducted with effect from 12/02/2016

The Audit Committee has been re-constituted as on 12/02/2016.

- **Nomination And Remuneration Committee**

Pursuant to SEBI (LODR), Regulations, 2015 and Section 178 of the Companies Act, 2013, the Nomination and Remuneration Committee has been constituted and adopted terms of reference.

Constitution of the Nomination and Remuneration Committee and attendance at their meetings during the financial year ended March 31, 2016 are given below:

Name of the Member Director	Category	No. of the Meeting held	No of the Meeting attended
*Mr. Heera Lal Chipa	Chairman of the Committee & Independent Director	03	03
Mr. Rajeev Sharma	Member & Independent Director	03	03
*Mrs. Rekha Soni	Member & Non- Executive Director	03	03
**Mr. Varun Kumar Choubisa	Chairman of the Committee & Independent Director	03	01
**Mr. Yashawant Kumar Choubisa	Member & Independent Director	03	01

\* Ceased to be a member from 12/02/2016

\*\*Inducted with effect from 12/02/2016

The Nomination & Remuneration Committee has been re-constituted as on 12/02/2016.

Details of the remuneration paid/payable to the Directors for the financial year ended on 31<sup>st</sup> March 2016 are as under:

Name of the Director	Salary	Perquisites	Commission	Total
Mr. Shankar Das Vairagi	Nil	Nil	Nil	Nil
Mr. Harendra Kumar Gupta	Nil	Nil	Nil	Nil

Mr. Rajeev Sharma	Nil	Nil	Nil	Nil
Mrs.RekhaSoni	Nil	Nil	Nil	Nil
*Mr. HeeraLalChipa	Nil	Nil	Nil	Nil
*Mr. ChaturBhujChauhan	Nil	Nil	Nil	Nil
**Mr. Varun Kumar Choubisa	Nil	Nil	Nil	Nil
**Mr. Yashawant Kumar Choubisa	Nil	Nil	Nil	Nil

\* Ceased to be a Director from 12/02/2016

\*\*Inducted with effect from 12/02/2016

- **Stakeholders Relationship Committee**

PPursuant to the provisions of Section 178 of the Companies Act, 2013 and of SEBI (LODR), Regulations, 2015, the Board has constituted Committee a Stakeholders Relationship Committee and adopted terms of reference.

The Stakeholders Relationship Committee considers and resolves the grievances of security holders. During the period under review, the Stakeholders Relationship Committee met Two(2) times on 07/08/2015, 12/02/2016. Details of constitution and attendance at their meetings during the financial year ended March 31, 2016 are given below:

Name of the Member Director	Category	No. of the Meeting held	No of the Meeting attended
*Mr.HeeraLalChipa	Chairman of the Committee & Independent Director	02	02
Mr. Shankar Das Vairagi	Member & Independent Director	02	02
Mr. Harendra Kumar Gupta	Member & Executive Director	02	02
**Mr. Varun Kumar Choubisa	Chairman& Independent Director	02	Nil

\* Ceased to be a Member from 12/02/2016

\*\*Inducted with effect from 12/02/2016

During the financial year, the Company/Company's Registrar and Transfer Agents have not received any complaint. There was no complaintpending as on March 31, 2016.

- **Policy on material subsidiary**

The details of the policy have been disclosed on company's website at [www.svarajtrading.com](http://www.svarajtrading.com)

- **Policy on Related party transactions**

The details of the policy have been disclosed on company's website at [www.svarajtrading.com](http://www.svarajtrading.com)

- **Policy for selection and appointment of Directors and their remuneration**

The details of the policy have been disclosed on company's website at [www.svarajtrading.com](http://www.svarajtrading.com)

- **Familiarization programme for Directors**

The details of the familiarization programme have been disclosed on company's website at [www.svarajtrading.com](http://www.svarajtrading.com)

- **Vigil Mechanism/Whistle Blower Policy**

The Company has adopted a Vigil Mechanism policy (Whistle Blower Policy) which enables Directors and employees to report their genuine concerns. The mechanism provides for adequate safeguards against the victimization of persons who use this mechanism and make provision for direct access to the Chairman of the Audit Committee in appropriate and exceptional cases.

- **Code of Conduct**

In Compliance with Regulation 26(3) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013, The Company has laid down the Code of Conduct for all Board members and senior management of the Company, which is available on the Company's Website at The details of the policy have been disclosed on company's website at [www.svarajtrading.com](http://www.svarajtrading.com).

All the Board members and senior management of the Company have affirmed compliance with their Code of Conduct for the financial year ended March 31, 2016. The Managing Director has also confirmed and certified the same. The certification is annexed at the end of this report.

- **Disclosures:**

- Internal Audit Functions and Statutory Compliance:

Internal Audit functions of the company have been carried out by a firm of Chartered Accountants. The reports of the Internal Auditors on the operations and financial transactions and the action taken thereon by the management in the form of report are duly submitted to the Audit Committee of the Board of Directors. The Statutory Auditors are provided with the reports of the Internal Auditor for consideration and report as also the action taken report made by the Company. The Internal auditor also makes presentation to the Audit Committee whenever required.

- For every quarter of the year, the Company Secretary/Department Head makes report of statutory compliances which are placed before the Audit Committee and the Board Meeting.

- Directors with materially significant related party transactions, pecuniary or business relationship with the company:

- There were no material significant transactions with the Directors or the management or their subsidiaries or relatives that have any potential conflict with the interest of the Company.

- Details of Non-compliance:

There were no case of non-compliance by the company nor any cases of penalties, strictures imposed on the company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.

- **General Body Meetings:**

- **The details of the Annual General Meetings held during the last three financial years;**

Financial Year	Date and time	Venue	Nos. of special resolution passed
2012-13	September 27, 2013 2.00 p.m.	1076, Dr. E Moses Road, Worli, Mumbai - 400018	Nil
2013-14	September 27, 2014	Acme Plaza Bldg. No. -2 Fifth Floor, Andheri Kurla Road, Andheri (East)	Nil



	12.30 p.m.	Mumbai- 400059	
2014-15	September 25, 2015 11.30 a.m.	Acme Plaza Bldg. No. -2 Fifth Floor, Andheri Kurla Road, Andheri (East) Mumbai- 400059	01

- **Details of special resolutions passed at the Annual General Meeting with the requisite majority of the members;**

Date	Brief subject matter of the resolutions
September 25, 2015	<ul style="list-style-type: none"> <li>• To appoint Mr. Harendra Kumar Gupta (DIN 05335662) as Managing Director of the Company for a period of five years.</li> </ul>

- During the last three financial years, no Extra ordinary General Meeting was held and no resolution was passed through postal ballot.

- **Means Of Communication**

- Quarterly, Half-Yearly and Annual results of the Company are published in newspapers such as Financial Express and Aapla Mahanagar. These results are promptly submitted to the BSE Limited
- The Company's results and press releases are available on the Company's website [www.svarajtrading.com](http://www.svarajtrading.com)

- **CEO/CFO Certification**

Appropriate certification as required under Regulation 17(8) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 has been made to the Board of Directors by the CEO/CFO which has been taken note of by the Board.

- **Affirmation**

The provisions of regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI (LODR), Regulations, 2015 are fully complied with, to the extent applicable to the Company. All the mandatory disclosure as required in term of the provisions of SEBI (LODR), Regulations, 2015 are disclosed in this report.

Further the company adopted the following discretionary requirements under Regulation 27 (1) of SEBI (LODR), Regulations, 2015

- **The Board**

No separate office was maintained by the Chairman of the Company

No separate office was maintained by the present Managing Director of the Company.

- **Shareholders Rights**

Quarterly or half yearly financial results including summary of the significant events are presently not being sent to shareholders of the Company.

- **Modified opinions in audit report**

Not applicable since there is no qualification in the audit reports

- **Separate posts of Chairman and Chief Executive Officer**

At present no person is holding the post of Chairperson of the Company. Post of the Managing Director and Chief Executive officer is held by the same person.

- **Reporting of Internal Auditors**

- The Internal Auditors directly reported to the Audit Committee

- General Shareholder Information**

AGM date, time and venue	September 23, 2016 at 10.00 a.m. at Acme Plaza Bldg. No. -2 Fifth Floor, Andheri Kurla Road, Andheri (East) Mumbai- 400059
Financial Year	April 01 to March 31
First quarter results	2 <sup>nd</sup> week of August 2015
Second quarter results	2 <sup>nd</sup> week of November 2015
Third quarter results	2 <sup>nd</sup> week of February 2016
Result for the financial year ended on March 31, 2016	2 <sup>nd</sup> week of May 2016
Date of Book closure	September 17, 2016 to September 23, 2016
Dividend payment date	Not applicable
Listing on Stock Exchange	BSE Limited
Payment of annual listing fees	Listing fees for the year 2016-2017 have been paid to BSE Limited
Stock Code (BSE)	INE406N01014
Demat ISIN no. for CDSL and NSDL	503624
Corporate Identity Number (CIN)	L51100MH1980PLC022315
Share Registrar & Transfer Agent	System Support Services 209, Shivalik Industrial Estate 89, Andheri Kurla Road, Andheri (East), Mumbai - 400 072 Tele Phone Nos.: 022-28500835 Email id:syss72@yahoo.com
Compliance officer	Ms. Vaibhavi Shah - Company Secretary Office No. 30, 2nd floor 380/82 Amruteshwar CHSL, JagannathSunkersett Road Mumbai- 400002 Email id: <a href="mailto:svarajtradingagencies@gmail.com">svarajtradingagencies@gmail.com</a>

- Market price data: High/Low during each month in the financial year (In Rs.)**

Month	BSE Limited, Mumbai	
	High	Low
April 2015	190.00	186.50
May 2015	191.90	183.00
June 2015	196.00	182.00
July 2015	187.00	180.00
August 2015	184.00	179.20
September 2015	183.70	179.90
October 2015	181.70	180.00
November 2015	191.60	180.60
December 2015	182.60	173.40
January 2016	182.70	182.40
February 2016	-	-
March 2016	183.00	182.50

(Source: Website of BSE Limited, Mumbai [www.bseindia.com](http://www.bseindia.com))

- Distribution of shareholding as on March 31, 2016**

Sr. No	No. of equity shares held		Shareholder(s)		Shareholding(s)	
	From	To	Nos.	%	Nos.	%
1	01	500	42	34.426	482	0.003
2	501	1000	16	13.114	13,752	0.092
3	1001	5000	07	5.738	12,819	0.086
4	5001	10000	04	3.279	26,335	0.179
5	10000	Above	53	43.443	14,696,612	99.64
	<b>Total</b>		<b>122</b>	<b>100.00</b>	<b>14750000</b>	<b>100.00</b>

- **Category wise distribution of shareholding as on March 31, 2016**

Category	No. of Shares held	% of holding
Promoter and Promoter Group	1,161,100	7.87
Mutual fund	Nil	Nil
Banks and Financial Institutes, Insurance Companies etc.	Nil	Nil
FII's	Nil	Nil
Bodies Corporate	6,933,458	47.01
Indian Public	6,655,442	45.12
NRIs and OCB	Nil	-
Directors and relatives	Nil	-
Others	Nil	-
<b>Total</b>	<b>14,750,000</b>	<b>100.00</b>

- **Dematerialization of shares and liquidity**

The Company's shares are traded compulsorily in dematerialized form on the stock exchange. As on March 31, 2016 14,749,100 equity shares of the Company are in dematerialized format representing 99.99% of the paid-up share capital of the Company.

- **Outstanding GDR/ADR/Warrants or any Convertible Instruments, conversion dates and likely impact on equity**

Not Applicable

- **Address for investors correspondence**

Shareholders/Investors should address their correspondence to the Company's Registrar & Transfer Agents at the address mentioned earlier.

Shareholders/Investors may also contact Ms. Vaibhavi Shah Company Secretary & Compliance Officer of the Company at the registered office of the Company situated at office No. 30, 2nd floor 380/82 Amruteshwar CHSL, Jagannath Sunkersett Road, Mumbai- 400002 or at telephone Nos.: 022-22004403 and email idsvarajtradingandagencies@gmail.com.

**For Svaraj Trading and Agencies Limited**

**Sd/-  
Harendra Kumar Gupta  
Managing Director  
DIN: 05335662**

Place: Mumbai

Dated: August 10, 2016

**DECLARATION BY THE CEO UNDER REGULATION 26(3) OF THE SEBI(LISTING OBLIGATION AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 REGARDING ADHERENCE CODE OF CONDUCT:**

In accordance with Regulation 26(3) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, I hereby confirm that, all the Directors and the Senior Management Personnel of the Company have affirmed compliance to the Code of Conduct for the Financial Year ended March 31, 2016

**For Svaraj Trading and Agencies Limited**

**Sd/-  
Harendra Kumar Gupta  
Managing Director  
DIN: 05335662**

Place: Mumbai  
Dated: August 10, 2016

**CEO/CFO CERTIFICATION TO THE BOARD**  
**[Regulation 17(8) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015]**

We, Mr. Rajesh J Purohit Chief Financial Officer (CFO) and Mr. Harendra Kumar Gupta Managing Director of **Svaraj Trading And Agencies Limited** appointed in terms of provision of Companies Act 2013, certify to the Board that:

- a. We have reviewed the financial statements and the cash flow statement for the financial year ended on March 31, 2016 and that to the best of our knowledge and belief:
  - These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - These statements together present a true and fair view of the Bank's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the financial year ended on March 31, 2016 which are fraudulent, illegal or violative of the Company's code of conduct;
- c. We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Bank and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of the internal control, if any, of which we are aware of and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the Auditors and the Audit Committee:
  - Significant changes in internal control over the financial reporting during the financial year 2015-16
  - Significant changes in accounting policies during the financial year 2015-16 and that the same have been disclosed in the notes to the financial statements; and
  - Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over the financial reporting.

Sd/-

\_\_\_\_\_  
**Harendra Kumar Gupta**  
**Managing Director**

Sd/-

\_\_\_\_\_  
**Rajesh J Purohit**  
**Chief financial officer**

Place: Mumbai  
Dated; August 10, 2016

## INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

**To the Members of  
Svaraj Trading and Agencies Limited**

We have examined compliance of conditions of corporate governance by Svaraj Trading and Agencies Limited (the Company) for the year ended on 31<sup>st</sup> March 2016 as stipulated in Clause 49 of the Listing Agreement ('Listing Agreement') of the Company with the stock exchanges for the period 1 April 2015 to 30 November 2015 and as per the relevant provisions of SEBI (Listing Obligation and Disclosure requirement) regulations, 2015 ('Listing Regulations') as referred to in Regulations 15(2) of the Listing Regulations for the period 1 December 2015 to 31 March 2016.

The compliance of conditions of corporate governance is the responsibility of the Management. Our examination was limited to procedures and implementations thereof, adopted by the Company for ensuring the compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of corporate governance as stipulated in the above-mentioned Listing Agreement / Listing Regulations as applicable.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For S. G.Kabra & Co.  
Chartered Accounts  
(FRN.:104507W)

Sd/-

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Malvika P. Mitra  
Partner  
Membership No. 44105

Place: Mumbai  
Dated: August 10, 2016

# Independent Auditors' Report

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**To the Members of SVARAJ TRDING AND AGENCIES LIMITED**

## **Report on the Financial Statements**

We have audited the accompanying standalone financial statements of **Svaraj Trading and Agencies Limited** ('the Company'), which comprise the balance sheet as at 31 March 2016, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

## **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation and presentation of these 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 there under.

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, 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.

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 2016 and its Profit 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, to the extent applicable.

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 Except AS-15 Employee Benefits 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 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164 (2) of the Act; and

**f.** Report on the Internal Financial Controls under Clause (1) of Sub-section 3 of section 143 of the companies Act, 2013 ("the Act")- 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 have no pending litigations.

**ii.**The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts. The Company does not have any derivative contract.

**iii.**There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For S. G. KABRA & CO**

Chartered Accountants

Firm's registration number: 104507W

Sd/-

**(MALVIKA P. MITRA)**

Partner

Membership No.44105

Date- 21/05/2016

Mumbai

## **ANNEXURE A TO THE AUDITORS' REPORT**

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2016, we report that:

**(i)** (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of one years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

(c) There are no immovable property held by the Company.

**(ii)** (a) The Inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.

(b) The procedure for physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.

(c) The Company is maintaining proper record of inventory, the discrepancies noticed on verification between the physical stocks and bookrecords were not material.

**(iii)** (a) The Company has not granted loans to parties covered 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 provision of section 185 and 186 of Act, with respect to the loan and investment made.

**(v)** The Company has not accepted any deposits from the public.

**(vi)** The Central Government has not prescribed the maintenance of cost records under section 148 (1) of the Act, for any of the services rendered by the Company

**(vii)** (a) According to the information and explanations given to us and on the basis of our examination of the records , the Company is regular in depositing undisputed statutory dues including provident fund, income tax, service tax, cess and other material statutory dues with the appropriate authorities. As explained to us, the Company did not have any dues on account of sales tax, wealth tax, duty of customs, value added tax, employees' state insurance and duty of excise.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, service tax, cess and other material statutory dues were in arrears as at 31 March 2016 for a period of more than six months from the date they became payable.

(b) According to the information and explanation given to us, there is no dispute pending in respect of dues of income tax/sales tax/wealth tax/service tax/custom duty/excise duty/cess

**(viii)** The Company did not have any outstanding dues to financial institutions, banks or debenture holders during the year

**(ix)** The company has not raised moneys by way of initial public offer or further public offer (including debt instrument) and term loans during the year.

**(x)** According to the information and explanations given to us, no material fraud on or by the Company 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 record of the Company, no managerial remuneration has been paid or provided.

**(xii)** In our opinion and according to the information and explanations given to us, the company is not Nidhi Company. Accordingly paragraph 3(xii) of Order is not applicable.

**(xiii)** According to the information and explanations given to us and based on our examination of the record of the Company, transactions with related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial statements as required by the applicable accounting standards.

**(xiv)** The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.

**(xv)** According to the information and explanations given to us and based on our examination of the record of the Company, the company has not entered into any non-cash transactions with directors or persons connected with him.

**(xvi)** The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For S. G. KABRA & CO**

Chartered Accountants

Firm's registration number: 104507W

Sd/-

**(MALVIKA P. MITRA)**

Partner

Membership No.44105

Date- 21/05/2016

Mumbai

## **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 **Svaraj Trading and Agencies Limited** ('the Company') as of 31st-Mar-2016 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

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

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

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

### **Meaning of Internal Financial Controls Over Financial Reporting**

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

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

## **Opinion**

In our opinion, the 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 31st-Mar-2016.

### **For S. G. KABRA & CO**

Chartered Accountants

Firm's registration number: 104507W

Sd/-

**(MALVIKA P. MITRA)**

Partner

Membership No.44105

Date- 21/05/2016

Mumbai

**SVARAJ TRADING AND AGENCIES LIMITED**

**Balance Sheet as at 31st March'2016**

	Note	Figure as at the end of current reporting Period	Figure as at the end of current reporting Period
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders Funds:</b>			
(a) Share Capital	1	147,500,000	147,500,000
(b) Reserve & Surplus	2	7,171,387	(9,743)
<b>(2) Non- Current Liabilities</b>			
(a) Short Term borrowings	3	90,000	-
<b>(3) Current Liabilities</b>			
(b) Sundry Creditors	4	149,422	
(b) Other current liabilities	5	94,815	59,026
(c) Short Term Provision	6	11,385,714	7,763,058
<b>Total</b>		<b>166,391,338</b>	<b>155,312,341</b>
<b>II. Assets</b>			
<b>(1) Fixed Assets</b>			
(a) Fixed Asset	7	42,285	33,472
<b>(2) Non - Current assets</b>			
(a) Non Current Investment	8	8,360,000	
(b) Other Non Current Assets	9	448,400	672,600
<b>(3) Current assets</b>			
(a) Current Investments	10	-	130,000,000
(b) Inventory	11	10,000,000	-
(c) Sundry Debtors	12	64,498,884	
(d) Cash and cash equivalents	13	67,405,256	14,150,111
(e) Short term Loans and advances	14	5,335	-
(f) Other current assets	15	15,631,178	10,456,158
<b>Total</b>		<b>166,391,338</b>	<b>155,312,341</b>

**Significant Accounting Policies &  
Notes on Accounts**

22

**As per our Report of even date**

**For S. G. KABRA & CO  
Chartered Accountants  
(F.R.N. 104507W)**

**Sd/-  
(MALVIKA P. MITRA)  
Partner  
Membership No. 44105**

**Place :- Mumbai  
Date :- 21-05-2016**

**For and on Behalf of the Board**

**Sd/-  
Harendra Gupta  
Managing Director  
DIN: 05335662**

**Sd/-  
Rajesh Jivanlal Purohit  
Chief Financial Officer**

**Sd/-  
Vaibhavi Shah  
Company Secretary**

**Sd/-  
Rekha Soni  
Director  
DIN: 05335667**

**Sd/-  
Shankardas Vairagi  
Director  
DIN: 01869965**



**SVARAJ TRADING AND AGENCIES LIMITED**

**Statement of Profit & Loss Account for the period ended 31st March'2016**

	Note	Figure as at the end of current reporting period	Figure as at the end of current reporting period
I. Revenue from Operations	16	66,774,642	84,719,785
II. Other Income	17	6,948,188	13,728,227
	<b>Total Revenue (I+II)</b>	<b>73,722,830</b>	<b>98,448,012</b>
IV. Purchase			
Fabric / Diamond	18	69,999,715	75,073,999
V. Expenses			
Change in Inventory	19	(10,000,000)	-
Employee Benefit Expenses	20	1,251,648	397,232
Other expenses	21	1,725,191	1,878,368
Depreciation	7	18,087	3,928
	<b>Total Expenses</b>	<b>62,994,641</b>	<b>77,353,526</b>
V Profit(Loss) beforeTax		<b>10,728,189</b>	<b>21,094,485</b>
VI. Tax Expenses			
Current Tax		3,547,061	4,818,832
VII. Profit / (Loss) for the year (V-VI)		<b>7,181,128</b>	<b>16,275,653</b>
Earnings per share (Equity shares of Rs.10/- each)			
(a) Basic		0.49	1.10
(b) Diluted		0.49	1.10

Significant Accounting Policies &  
Notes on Accounts  
As per our Report of even date

22

For and on Behalf of the Board

For S. G. KABRA & CO  
Chartered Accountants  
(F.R.N. 104507W)

Sd/-  
Harendra Gupta  
Managing Director  
DIN: 05335662

Sd/-  
Rekha Soni  
Director  
DIN: 05335667

Sd/-  
Shankardas Vairagi  
Director  
DIN: 01869965

Sd/-  
(MALVIKA P. MITRA)  
Partner  
Membership No. 44105

Sd/-  
Rajesh Jivanlal Purohit  
Chief Financial Officer

Place :- Mumbai  
Date :- 21-05-2016

Sd/-  
Vaibhavi Shah  
Company Secretary

**SVARAJ TRADING AND AGENCIES LIMITEE**

**Notes forming Part of the Financial Statement**

	As at 31st March'2016 Rupees	As at 31st March'2015 Rupees
<b>NOTE "1"</b>		
<b>SHARE CAPITAL</b>		
Authorised :		
1,75,00,000 (Prev. Year 1,75,00,000) Equity Shares of Rs.10/- each)	175,00,000	175,00,000
	<b>175,00,000</b>	<b>175,00,000</b>
Issued ,Subscribed and Paid-up		
1,47,50,000 (Prev. Year 1,47,50,000) Equity Shares of Rs.10/- each	147,50,000	147,50,000
	<b>147,50,000</b>	<b>147,50,000</b>

**Notes :**

- The Company has only one class of shares referred to as equity shares having a par value of Rs.10/- each. Each holder of the equity shares is entitled to one vote per share.
- The details of shareholders holding more than 5%of the equity shares of the Company as at Period /Year end is as below.

Name of Shareholder	Number of Equity shares Held	% of Holding	Number of Equity shares Held	% of Holding
Madan Lal Paliwal	884828	6.00%	983596	6.67%
Madan Lal Paliwal HUF	879842	5.97%	939730	6.37%
Satyalaxmi Vinimay Pvt Ltd	880358	5.97%	538190	3.65%

- The reconciliation of the number of equity shares outstanding as at the period /year end set is as below

Number of Equity Shares at the beginning of the year	14,750,000	14,750,000
Add :- Equity shares issued during the year	-	-
Number of equity shares at the end of the year	14,750,000	14,750,000

**NOTE "2"**

**RESERVES AND SURPLUS :**

**Surplus - Profit and Loss Account**

Capital Reserve	45,292,942	45,292,940
Opening Balance	(45,302,684)	(61,578,338)
Add :- Net Profit/(Loss) after tax from continuing operations	7,181,128	16,275,653
Closing Balance	<b>7,171,387</b>	<b>(9,743)</b>

**NOTE "3"**

**Short Term Borrowings**

Unsecured Loans	90,000	-
	<b>90,000</b>	<b>-</b>

**NOTE "4"**

Sundry Creditors

**Trade Payable**

Kapil Gems Pvt Ltd	24,411	-
Queens Necklace	125,011	-
	<b>149,422</b>	<b>-</b>

**NOTE "5"**

Other current liabilities

Other liabilities	94,815	59,026
	<b>94,815</b>	<b>59,026</b>

**NOTE "6"**

## Short Term Provision

TDS Payable on Professional Fess	5,850	-
Service Tax Payable	174,028	104,283
Provision for Income Tax of A.Y.2014-2015	2,839,943	2,839,943
Provision for Income Tax of A.Y.2015-2016	4,818,832	4,818,832
Provision for Income Tax of A.Y.2016-2017	3,547,061	-
	<b>11,385,714</b>	<b>7,763,058</b>

**NOTE "8"****Non-Current Investments****Investments in Equity Shares - Ungouted**

Crystal Infrabuild Pvt Ltd (265000 equity shares @ Rs.10/-)	2,650,000	-
Mountain Vintrade Pvt Ltd (4900000 equity shares @ Rs.1/-)	4,900,000	-
Rapid Fire Multitrading Pvt Ltd (81000 equity shares @ Rs.10/-)	810,000	-
	<b>8,360,000</b>	<b>-</b>

**NOTE "9"****Other Non-Current Assets**

Preliminary Expenses	448,400	672,600
	<b>448,400</b>	<b>672,600</b>

**NOTE "10"****Current Investment**

Investment in Reliance Liquid Fund	-	60,000,000
Investment in SBI Magnum Insta Cash Fund	-	70,000,000
	<b>-</b>	<b>130,000,000</b>

**NOTE "11"****Inventory**

Stock in Trade	10,000,000	0
	<b>10,000,000</b>	<b>0</b>

**NOTE "12"****Sundry Debtor**

Trade Receivable	64,498,884	0
	<b>64,498,884</b>	<b>0</b>

**NOTE "13"****Cash and Cash equivalent**

Cash on hand	5,031	139,118
Balance with Scheduled Bank In Current account	67,400,224	14,010,994
	<b>67,405,256</b>	<b>14,150,111</b>

**NOTE "14"****Short - Term loans and advances**

Other Loan & Advances	5,335	-
	<b>5,335</b>	<b>-</b>

**NOTE "15"****Other Current Assets**

Advance Tax of A.Y.2015-2016	5,250,000	5,250,000
TDS Receivable of A.Y.2015-2016	1,907,500	1,907,500
Advance Tax of A.Y.2014-2015	2,500,000	2,500,000
TDS Receivable of A.Y.2014-2015	798,658	798,658
Advance Tax of A.Y.2016-2017	5,000,000	-
TDS Receivable of A.Y.2016-2017	120,020	-
Security Deposit	55,000	-
	<b>15,631,178</b>	<b>10,456,158</b>

**NOTE "16"****Revenue From Operation**

Sale of Fabric	-	75,402,937
Sale of Diamond	65,574,446	-
Business Advisory Services	-	4,025,000
Project consultancy fees	-	3,250,000
Brokerage Received	1,200,196	2,041,848
	<b>66,774,642</b>	<b>84,719,785</b>

**NOTE "17"****Other Income**

Short Term Capital Gain	6,947,749	4,222,454
Interest Received	-	9,505,772
Other Income	438.77	-
	<b>6,948,188</b>	<b>13,728,227</b>

TOTAL

**NOTE "18"****Operating Expenses**

Purchase of Fabric	-	75,073,999
Purchase of Diamond	69,999,715	-
	<b>69,999,715</b>	<b>75,073,999</b>

**NOTE "19"****Change in Inventory**

Opening Stock	-	-
Add: Finished goods	-	-
Less: Closing Stock	(10,000,000)	-
	<b>(10,000,000)</b>	<b>-</b>

**NOTE "20"****Employee Benefit Expenses**

Staff Salary	1,251,648	397,232
	<b>1,251,648</b>	<b>397,232</b>

**NOTE "21"****Other Expenses**

Legal & Professional Charges	132,750	35,000
<b>Auditors' Remuneration :</b>		
Audit Fees	27,500	27,500
Sitting Fees	52,500	-
Miscellaneous Expenses	810,270	304,714
Other Exp	52,122	73,719
Office Exp	276,849	132,343
Office / Godown Rent	149,000	80,892
SEBI Penalty	-	1,000,000
Preliminary Exp. Written off	224,200	224,200
	<b>1,725,191</b>	<b>1,878,368</b>

TOTAL

**Grouping of Balance Sheets****Short Term Borrowings****Unsecured Loan**

	As at 31st March'2016 Rupees	As at 31st March'2015 Rupees
Loan from Directors	90,000	-
	<b>90,000</b>	<b>-</b>

Total

**Other Liabilities****Sundry Liabilities**

M. H. Parihar & Co	15,000	15,000
S.G. Kabra & Co.	37,500	37,500
Professional Tax Payable	2,500	-
R M Mimani & Associates LLP	26,125	-
System Support Services	9,190	6,526
Vaibhavi Shah	4,500	-
Total	<u>94,815</u>	<u>59,026</u>

**Cash & Bank Balance**

Cash Balance	5,031	139,118
Axis Bank Ltd	67,400,224	14,010,994
	<u>67,405,256</u>	<u>14,150,112</u>

**Miscellaneous Expenses :-**

Advertisement Charges	45,813	47,911
Bank Charges	4,959	2,020
Conveyance Charges	90,927	24,553
Custodian Charges	51,525	33,626
License Fee & Compliance	82,868	-
Filing Fees	52,300	9,500
Travelling Exp	120,032	21,882
Telephone Exp	87,384	15,604
Listing Fees	224,720	112,360
Printing & Stationery Charges	3,155	-
Share Transfer Registrar Fees	38,048	29,841
Website Maintenance Charges	8,539	7,416
	<u>810,270</u>	<u>304,714</u>

**Note - 7 FIXED ASSETS**

For the Year 2015-16

Depreciation method:- SLM

Name of the Assets	Total Useful Life(in years)	Remaining Useful Life	Gross value as on 01.04.2015	ADDITION	DEDUCTION	Gross value as on 31.03.2016	Depreciation upto 01.04.2015	Depreciation for the year	Depreciation upto 31.03.2016	TRF to Retained Earning	Net Block value upto 31.03.2016	Net Block value upto 31.03.2015
Computer	3	1	37,400	-	-	37,400	3,928	16,736	20,664		16,736	33,472
Computer	3	2		26,900		26,900	-	1,351	1,351		25,549	
<b>Total</b>			<b>37,400</b>	<b>26,900</b>	<b>-</b>	<b>64,300</b>	<b>3,928</b>	<b>18,087</b>	<b>22,015</b>	<b>-</b>	<b>42,285</b>	<b>33,472</b>

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016**

Particulars	Year Ended 03-2016	31- Rs	Year Ended 03-2015	31- Rs
Cash Flow From Operating Activities				
Profit Before Tax		10,728,189		21,094,485
Adjustments for :				
Depreciation		18,087		3,928.00
Interest income		-		(9,505,772)
Operating Profit Before Working Capital Changes		<b>10,746,276</b>		<b>11,592,641</b>
<b>Adjustments for :</b>				
(Increase)/decrease in inventories		(10,000,000)		-
(Increase)/decrease in trade receivables		(64,498,884)		-
(Increase)/decrease in sundry creditors		149,422		-
(Increase)/decrease in short-term loans and advances & other current assets		(5,180,355)		109,773,219
(Increase)/decrease in other non current assets		224,200		-
Increase/(decrease) in Loans & Borrowings		90,000		(4,000,000)
Increase/(decrease) in current liabilities		3,658,445		4,838,544
<b>Cash generated from operations</b>		<b>(64,810,895)</b>		<b>122,204,404</b>
Taxes Paid		<b>3,547,061</b>		<b>4,818,832</b>
<b>Net Cash Flow From/ (Used In) Operating Activities</b>		<b>(68,357,956)</b>		<b>117,385,572</b>
<b>Cash Flow From / (Used In) Investing Activities</b>				
Purchase of Fixed Assets		(26,900)		(37,400)
Purchase of Unquoted Shares		(8,360,000)		-
Purchase of Investment		130,000,000		(114,553,360)
Interest received		-		9,505,772
<b>Net Cash Flow From / (Used In) Investing Activities</b>		<b>121,613,100</b>		<b>(105,084,987)</b>
<b>Cash Flow From / (Used In) Financing Activities</b>				
Proceeds from Issue of Share		-		-
<b>Net Cash Flow From / (Used In) Financing Activities</b>		<b>-</b>		<b>-</b>
Net Increase / (Decrease) In Cash And Cash Equivalents (A + B + C)		<b>53,255,145</b>		<b>12,300,585</b>
Opening Cash And Cash Equivalents		14,150,111		1,849,526
Closing Cash And Cash Equivalents (Refer Note 1 Below)		<b>67,405,256</b>		<b>14,150,111</b>

1 Particulars	2016	2015
Cash In hand	5,031	139,118
Balance with Banks in Current Account	67,400,224	14,010,994
	<b>67,405,256</b>	<b>14,150,111</b>

**Significant Accounting Policies & notes to Accounts**

As per our attached report of even date

For S. G. KABRA & CO  
Chartered Accountants  
(F.R.N.. 104507W)

Sd/-  
(MALVIKA P. MITRA)  
Partner  
Membership No. 44105

Place :- Mumbai  
Date :- 21st May' 2016

For and on Behalf of the Board

Sd/- Harendra Gupta Managing Director DIN: 05335662	Sd/- Rekha Soni Director DIN: 05335667	Sd/- Shankardas Vairagi Director DIN: 01869965
--	---	---

Sd/-  
Rajesh Jivanlal Purohit  
Chief Financial Officer

Sd/-  
Vaibhavi Shah  
Company Secretary

## **CORPORATE INFORMATION**

Svaraj Trading and Agencies limited (“the Company”) is incorporated in the state of Maharashtra, India and is listed on Bombay Stock Exchange (BSE). The company is mainly in the following business;

The Company has incorporated on 07/03/1980 and the company is in to Trading and Agencies Business and Allied Activities business.

## **17. SIGNIFICANT ACCOUNTING POLICIES**

### **a. Basis & Method of Accounting:**

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 (‘the Act’), read with Rule 7 of the Companies (Accounts) Rules, 2014 and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

### **b. Use of Estimates:**

The preparation of financial statements in conformity with generally accepted Accounting principles requires the management to make estimates and assumptions that affects the reported balances of assets and liabilities as of the date of financial statement and reported amount of income and expenses during the year.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

### **c. Fixed Assets:**

Tangible assets are stated at cost, less accumulated depreciation and impairment, if any. Direct costs are capitalized until such assets are ready for use. Capital work-in-progress comprises the cost of fixed assets that are not yet ready for their intended use at the reporting date.



- d. **Impairment of Assets:**  
The carrying amount of assets are reviewed at each Balance Sheet date, if there is any indication of impairment based on internal / external factors. An asset is impaired when the carrying amount of the asset exceed the recoverable amount. An impairment loss is charged to the Profit and Loss Account in the year in which the asset is identified as being impaired.
- e. **Depreciation:**  
The depreciation on Fixed Assets is provided on straight line method, in accordance with the Schedule II to the companies Act, 2013. The depreciation on Assets added during the year has been provided on pro-rata basis with reference to the date on which the assets were put to use. No depreciation has been provided on the fixed assets, which have not been put to use during the year end.
- f. **Revenue recognition:**  
Sales represent invoice value of goods supplied and service rendered, including Sales Tax applicable and are net of rate difference and goods returned.
- g. **Inventories:**  
Inventories are valued at cost or net realizable value whichever is lower. The cost is worked out on weighted average basis.
- h. **Research and Development Expenses:**  
Expenditure relating to capital items is debited to fixed assets and depreciated at applicable rates. Revenue expenses are charged to profit & loss account of the year.
- i. **Retirement Benefits:**  
Retirement benefits are given as per term & condition of contract with employee. Short term employee's benefits are recognized at the undiscounted amount in the profit and loss account.
- j. **Taxation:**  
Income–tax expenses comprise current tax and deferred tax charge or credit. The Deferred tax asset and deferred tax liability is calculated by applying tax rate and Tax laws that have been enacted or substantially enacted by the Balance Sheet date. Deferred tax Assets arising mainly on account of brought forward losses And unabsorbed depreciation under tax laws, are recognized, only if there is a Virtual certainty of its realization, supported by convincing evidence. Deferred tax Liability on account of other timing differences is recognized only to the extent there is a reasonable certainty of its realization. At each Balance Sheet date, the Carrying amount of deferred tax assets is reviewed to reassure realization.

k. **Earning Per Shares:**

The earnings considered in ascertaining the Company's EPS are computed as per Accounting Standard 20 on "Earning Per Share", issued by the Institute of Chartered Accountants of India. The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the period. The diluted EPS is calculated on the same basis as Basic EPS, after adjusting for the effects of potential dilutive equity shares unless the effect of the potential dilutive equity shares is anti-dilutive.

l. **Segment Reporting:**

The Company is engaged in the trading and agencies business and allied services thereof being a single segment hence disclosure as requirements of Accounting Standard AS-17 issued by the Institute of Chartered Accountants of India is not applicable

m. **Other Accounting policies:**

These are consistent with generally accepted accounting practices.

## Note-22 NOTES TO ACCOUNTS

### 22.1 Managerial Remuneration paid or payable during the financial year is as under:

PARTICULARS	31.03.2015	31.03.2014
Remuneration to Director	-	-

### 22.2 Earnings Per Share

In compliance of Accounting Standard -20 on "Earning Per Share" issued by The Institute of Chartered Accountants of India, the computation of Earning per share is as under:

PARTICULARS	31.03.2015	31.03.2014
Net Profit / (Loss) After Tax	7,181,128	16,275,653
Weighted average number of Equity Shares	1,47,50,000	1,47,50,000
Nominal Value of Equity Share	10	10
Earning Per Share Basic & Diluted	0.49	1.10
Diluted Earnings Per Share (in Rs.)	0.49	1.10

### 22.3 Related Party Transactions

In accordance with the Accounting Standard 18 on "Related Party Disclosures" issued by the Institute of Chartered Accountants of India, the transactions with the related parties of the Company are disclosed below:

Sr. No.	Name of Party	Nature of Relationship	Nature of Transaction	(2015-16) (Rs.)	(2014-15) (Rs.)
1	Harendra Kumar Gupta	Director	Loan Taken	45000	Nil
2	Shankar Das Vairagi	Director	Loan Taken	45000	Nil

3	Shanker Das Vairagi	Director	Sitting Fees	12500	9000
4	Rajeev Sharma	Director	Sitting Fees	12500	9000
5	Chaturbhuj Chauhan	Director	Sitting Fees	12500	6000
6	Heeralal Chhipa	Director	Sitting Fees	12500	7500
7	Rekha Soni	Director	Sitting Fees	2500	7500

**22.4 Auditors remuneration paid / payable during the year financial year is as under:**

Particulars	2015-2016	2014-2015
Statutory Audit Fee	27500	27500
Service Tax	NIL	NIL
TOTAL	27500	27500

**22.5 Other notes–**

- a) There is no impairment of assets as per AS 28 issued by ICAI.
- b) There are no due to Small/Micro undertaking.
- c) Contingent Liabilities: - NIL
- d) In the opinion of the Board, the Current Assets, Loans and Advances have a value on realization in the ordinary course of business at least equal to the amount which they are stated in the Balance Sheet and provision for all known and determined liabilities is adequate and not in Excess of amount reasonably required. Further balances are subject to confirmation.
- e) Previous year figures have been regrouped, reclassified and recast wherever considered necessary.
- f) Figures have been rounded off to nearest rupee.

As per our attached report of even date

**For S G Kabra & Co.**

Chartered Accountants  
FRN 104507W

Sd/-

**(Malvika Mitra)**

Partner

M. No. 44105

Place: Mumbai

Date: 21-05-2016

**For and on Behalf of the Board of Directors**

Sd/-

Sd/-

Sd/-

Harendra Gupta	Rekha Soni	Shankardas Vairgai
Managing Director	Director	Director
DIN:05335662	DIN:05335667	DIN:01869965

Sd/-

Rajesh Jivanlal Purohit  
Chief Financial Officer

Sd/-

Vaibhavi Shah

Company Secretary

**SVARAJ TRADING AND AGENCIES LIMITED**

[CIN: L51100MH1980PLC022315]

Registered Office: office No. 30, 2nd floor 380/82 AmruteshwarCHSL,  
JagannathSunkersett Road, Mumbai- 400002, Tel No: 91-22- 022-22004403;  
Email Id: [svarajtradingagencies@gmail.com](mailto:svarajtradingagencies@gmail.com); website: [www.svarajtrading.com](http://www.svarajtrading.com)

**ATTENDANCE SLIP**

**(Please fill the attendance slip and hand it over at the entrance of the meeting hall)**

Regd. Folio No. \*\*.....

DP ID.....

No. of Shares held .....

Client ID .....

Name(s) and address of the shareholder in full

.....

.....

I/we hereby record my/our presence at the 36<sup>th</sup>Annual General meeting of the Company held on FridaySeptember 23, 2016 at 10.00 a.m. at Acme Plaza Bldg. No. -2 Fifth Floor, Andheri Kurla Road, Andheri (East) Mumbai- 400059

\_\_\_\_\_  
Signature of Shareholder /Proxy

\*\*Applicable for investor holding shares in physical form

**SVARAJ TRADING AND AGENCIES LIMITED**

[CIN: L51100MH1980PLC022315]

Registered Office: office No. 30, 2nd floor 380/82 AmruteshwarCHSL,  
JagannathSunkersett Road, Mumbai- 400002, Tel No: 91-22- 022-22004403;  
Email Id: [svarajtradingagencies@gmail.com](mailto:svarajtradingagencies@gmail.com); website: [www.svarajtrading.com](http://www.svarajtrading.com)

**Proxy form  
[Form MGT-11]**

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

Name of the Shareholder (s) \_\_\_\_\_

RegisteredAddress\_\_\_\_\_

Folio No\_\_\_\_\_ Client Id \_\_\_\_\_ DP ID \_\_\_\_\_ No. of shares held \_\_\_\_\_

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

1. Name and address \_\_\_\_\_

E-mail Id.\_\_\_\_\_ Signature\_\_\_\_\_ or falling him /her

2. Name and address \_\_\_\_\_

E-mail Id.\_\_\_\_\_ Signature\_\_\_\_\_ or falling him /her

3. Name and address \_\_\_\_\_

E-mail Id.\_\_\_\_\_ Signature\_\_\_\_\_ or falling him /her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 36<sup>th</sup>Annual General meeting of the Company to be held on Friday September, 23, 2016 at 10.00 a.m. at Acme Plaza Bldg. No. -2 Fifth Floor, Andheri Kurla Road, Andheri (East), Mumbai- 400059 or any adjournment thereof in respect of such resolutions as are indicated below:

1. To receive, consider and adopt the financial statements of the Company for the year ended on 31<sup>st</sup> March 2016
2. To appoint a Director in place of Mr. Shankar Das Vairagi, who retires by rotation and being eligible, offers himself for re-appointment
3. To appoint Auditors and fix their remuneration
4. To Appoint Mr. Varun Kumar Choubisaas an Independent Director of the Company for a period of 5 years.
5. To Appoint Mr. Yashawant Kumar Choubisa as an Independent Director of the Company for a period of 5 years.

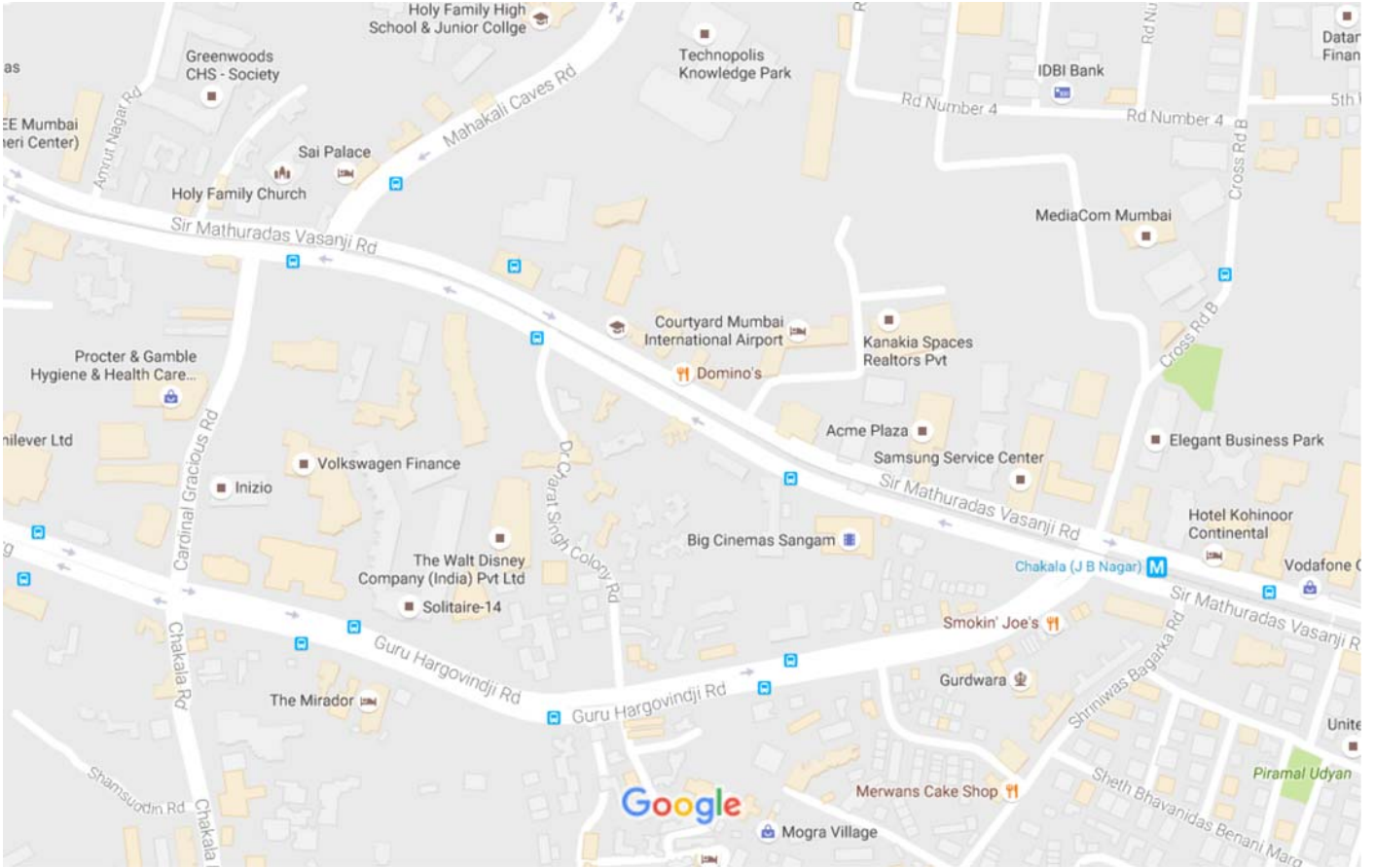
Affix Revenue Stamp
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\_\_\_\_\_  
Signature of shareholder

Signed this..... day of..... 2016

\_\_\_\_\_  
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.**



Q et. 645: 544