

BOARD OF DIRECTORS

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

REGISTERED OFFICE

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

AUDITORS

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

BANKERS

PUNJAB NATIONAL BANK
VIJAYAWADA - 520 008

26th ANNUAL GENERAL MEETING

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

NOTICE

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

AS ORDINARY BUSINESS:

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

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

AS SPECIAL BUSINESS:

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

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

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

Date: 23.05.2016

BY ORDER OF THE BOARD

(Sd/-)

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

NOTICE**NOTES:**

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

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

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

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

ITEM NO. 4

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

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

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

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

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

Regd. Office:
27-1-102, II Floor
Governorpet, Vijayawada-2
Date: 23.05.2016

BY ORDER OF THE BOARD
(Sd/-)
(M. MURALI KRISHNA)
Chairman & Managing Director
DIN: 01889812

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

ATTENDANCE SLIP

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

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

SIGNATURE OF THE SHAREHOLDER / PROXY

* Strike out whichever is not applicable.
NOTE: Please handover the slip at the entrance of the Meeting Venue.

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

PROXY FORM

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

Signed at this day of2016.

Folio No.

Number of Shares held :

Signature : Affix Re.1 Revenue Stamp

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

CASH FLOW STATEMENT FOR THE YEAR 2015-16

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

DIRECTORS' REPORT

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

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

DIVIDEND:

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

REVIEW OF OPERATIONS:

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

PUBLIC DEPOSITS:

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

FUTURE PROSPECTS:

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

DIRECTORS:

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

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

DIRECTORS' RESPONSIBILITY STATEMENT:

Your Directors wish to confirm that:

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

CASH FLOW STATEMENT FOR THE YEAR 2015 - 16

	Rs.	Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax and Extraordinary Items :		-1892720
Adjustment for :		
Depreciation	13435	
Lease Equalisation Account	0	
Preliminary Expenses written off	0	
Foreign Exchange	0	
Investments	0	
Profit / Loss on sale of Shares	0	
Profit / Loss on sale of Assets	4082070	
Interest / Dividend	-49197	
	-----	4046308
Operating Profit before working Capital Changes		2153588
Adjustment for :		
Trade and other receivables	6214151	
Inventories	0	
Trade Payable	0	
	-----	6214151
Cash Generated from operations		8367739
Interest Paid	0	
Direct Taxes paid / Refund	1414502	
	-----	1414502
Cash Flow before Extraordinary Items		6953237
Extraordinary Items		0
	-----	6953237
Net Cash Flow from operating Activities		6953237
B. CASH FLOW FROM INVESTMENT ACTIVITIES		
Purchases of Fixed Assets	0	
Sale of Fixed Assets	-3566140	
Hirepurchase Disbursements	0	
Acquisition of Companies	0	
Purchase of Shares	0	
Sales of Shares	0	
Interest received	0	
Dividend Received	49197	
Net cash used in investing Activities		-3516943

14) RELATED PARTY TRANSACTIONS:

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

15) EARNING PER SHARE:

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

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

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

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

19) There were no earnings in foreign currency.

20) Previous Year's Figures are regrouped wherever necessary

21) Paises are rounded off to the nearest rupee.

Note 1 to 20

Per our report of even date

For **SESHADRY & COMPANY**

CHARTERED ACCOUNTANTS

FRN : 004993S

L.S. RAJENDRA

Partner

M.No. 216211

For and on behalf of the Board

(Sd) **M. MURALI KRISHNA**

Managing Director

DIN : 01889812

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

Director

DIN : 01890545

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

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

INTERNAL FINANCIAL CONTROLS:

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

CONSERVATION OF ENERGY:

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

STATUTORY AUDITORS:

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

OBSERVATIONS OF AUDITORS:

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

SECRETARIAL AUDITOR:

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

EXTRACT OF ANNUAL RETURN:

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

MEETINGS:

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

LISTING:

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

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

7) CONTINGENT LIABILITIES:

There are no contingent liabilities.

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

9) MANAGERIAL REMUNERATION:

No Remuneration is paid to the Managing Director.

10) PROVISION FOR NON-PERFORMING ASSETS:

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

11) TRANSFER TO RESERVE FUND

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

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

13) SEGMENT REPORTING:

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

NOTE - 20
NOTES ON ACCOUNTS
SIGNIFICANT ACCOUNTING POLICIES

1) INCOME RECOGNITION:

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

2) FIXED ASSETS:

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

3) DEPRECIATION:

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

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

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

CORPORATE GOVERNANCE:

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

SUBSIDIARY COMPANIES:

The Company does not have any subsidiaries.

HUMAN RESOURCES:

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

FOREIGN EXCHANGE INFLOW & OUTGO:

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

APPRECIATION:

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

For and on behalf of the Board

(Sd/-)

Place: VIJAYAWADA

Date : 23.05.2016

M. Murali Krishna
Chairman & Managing Director
DIN: 01889812

Annexure-I

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016

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

To,
The Members,
SWARNA SECURITIES LIMITED

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by SWARNA SECURITIES LIMITED (hereinafter called the 'Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2016, complied with the statutory provisions listed here under and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2016, according to the provisions of:

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

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

NOTES TO FINANCIAL STATEMENTS

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

NOTES TO FINANCIAL STATEMENTS

As at 31/3/16 As at 31/3/15

Note - 11 : Cash & Cash Equivalents

Cash on hand	108424	104396
Cash at banks	148040	316282
	-----	-----
	256464	420678
	-----	-----

Note - 12 : Other Current Assets

Income tax paid in advance & TDS	0	979492
Sundry Debtors considered good	0	120000
	-----	-----
	0	1099492
	-----	-----

Note - 13 : Revenue from Operations

Interest on Others Loans	569700	829432
Profit on Sale of Asset	4082070	1469137
	-----	-----
	4651770	2298569
	-----	-----

Note - 14 : Other Income

Dividends	49197	44815
Rent Received	120000	120000
Agricultural Income	0	135000
	-----	-----
	169197	299815
	-----	-----

Note - 15 : Changes in Stock-in-trade

Opening Stock	609746	609746
Add : Purchases	0	0
	-----	-----
	609746	609746
Less : Closing Stock	609746	609746
	-----	-----
	0	0
	-----	-----

Note - 16 : Employee Benefit Expenses

Salaries	156000	216000
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Note - 17 : Finance Costs

Interest on Debentures	0	123432
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- 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.
- The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (Not applicable to the Company during the period of audit);
 - The Securities and Exchange Board of India (Issue and listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the period of audit);
 - The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Company Act and dealing with client;
 - The Securities and Exchange Board of India (Delisting of Equity Shares Regulations, 2009; (Not applicable to the Company during the period of audit); and
 - The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the period of audit).
- v. Other laws specifically applicable to the company as per the representations made by the management.

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

- Secretarial Standards issued by The Institute of Company Secretaries of India was applicable and compiled.
- The Listing Agreements entered into by the Company with BSE Limited.

- iii. The Company has given all publications as required relating to Board Meetings, Annual General Meetings and unaudited financial results.
- iv. Section 203 of the Companies Act, 2013 is complied. The company had made its entire good attempt to appoint a company secretary but could not find.
- v. The website of the Company is updated as per the requirements.
- vi. The company has appointed the internal auditor and met the compliance.

During the period under review the company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the Board Meetings are carried out unanimously as recorded in the Minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. We further report that the shares of the company listed with BSE Limited. The report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

(Sd/-)

Place : VIJAYAWADA
Date : 23/05/2016

CS KODE HEMACHAND
Company Secretary
Mem. No. 35463 - CP No. 13416

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NOTES TO FINANCIAL STATEMENTS

		As at 31/03/16	As at 31/03/15
	No.	Rs.	Rs.
Note - 9 : Current Investments			
Equity Shares - Quoted			
H.D.F.C. Bank Ltd.	6000	12000	12000
Steadfast Corporation Ltd.,	200	1080	1080
Kinetic finance Limited	66	1	1
Natco Laboratories Ltd.	80	1	1
Nicco Uco Alliance Credit Limited	100	1	1
Raghava Estates Ltd.,	1000	1	1
Sri Vani Sugars Ltd.,	200	1	1
Tata Iron & Steel Company Ltd.,	23	2246	2246
The Andhra Sugars Ltd.,	500	10750	10750
The K.C.P. Ltd.	500	725	725
K.C.P. Sugar & Industries Corporation Ltd.,	500	800	800
Vantel Technologies Ltd.,	300	840	840
		28446	28446
Mutual Funds - Quoted			
Taurus Star share Mutual Fund	400	1300	1300
PNB - Mutual Fund		30000	30000
		31300	31300
EQUITY SHARES - UN-QUOTED			
Siva Credits Private Ltd.	55000	550000	550000
		550000	550000
		609746	609746
Note - 10 : Trade Receivables			
Stock on Hire as per Hire Purchase Agreements			
Doubtful		65705	554755
Hypothecation Loans - Doubtful		0	991929
Other Loans - Standard		3223100	3375400
Sub-standard		0	6735390
Doubtful		700000	5172000
		3923100	15282790
		3988805	16829474

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NOTES TO FINANCIAL STATEMENTS

NOTE - 6 : FIXED ASSETS

NAME OF THE ASSET	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	Cost 31.03.15	Additions	Sale/ TFR	Total Cost	Upto 31.03.15	For the Year	Sale/ TFR	Total 31.03.16	W.D.V. 31.03.15	W.D.V. 31.03.16
LAND	15561424	0	515930	15045494	0	0	0	0	15561424	15045494
BUILDING	298141	0	0	298141	177053	6071	0	183124	121088	115017
COMPUTERS	264705	0	0	264705	260091	1851	0	261942	4614	2763
FURNITURE & FITTINGS	609590	0	0	609590	594016	2827	0	596843	15574	12747
VEHICLES	40442	0	0	40442	36431	1041	0	37472	4011	2970
PLANT & MACHINERY	171586	0	0	171586	159794	1645	0	161439	11792	10147
OWN ASSETS	16945888	0	515930	16429958	1227385	13435	0	1240820	15718503	15189138

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'ANNEXURE A'

To,
The Members,
SWARNA SECURITIES LIMITED

Our report of even Date is to be read along with this letter.

- Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- We have followed the audit practices and 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.
- We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- Where ever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
- 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 procedures on test basis.
- The Secretarial Audit report is neither an assurance as to the further viability of the company nor of the efficacy or effectiveness and with which the management has conducted the affairs of the Company.

(Sd/-)

CS KODE HEMACHAND
Company Secretary

Place : VIJAYAWADA
Date : 23/05/2016

Mem. No. 35463 - CP No. 13416

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Annexure-II
FORM No. MGT 9
EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2016
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

1.	CIN	L52520AP1190PLC011031
2.	Registration Date	19.02.1990
3.	Name of the Company	Swarna Securities Limited
4.	Category/Sub-category of the Company	Public Limited Company
5.	Address of the Registered office & contact details	II Floor, Swarnalok Complex Governorpet Vijaywada-520 002
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Aarthi Consultants (P) Limited Regd. Office : 1-2-285 Domalguda, Hyderabad-500 029

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the Business activities contributing 10% or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Hirepurchase & lease financing	659	11.82%
2.			
3.			

NOTES TO FINANCIAL STATEMENTS

As at 31/03/16 As at 31/03/15

Note - 3 : Long Term Provisions

Provision for Non-Performing Assets on :		
Standard Assets	8500	8500
Hire Purchase	65705	554755
Hypothecation Loans	0	991929
Other Loans	700000	5845539
	774205	7400723

Note - 4: Other Current Liabilities

Sundry Creditors	70000	70000
------------------	-------	-------

Note - 5 : Short Term Provisions

Provision for Taxation	0	1450000
------------------------	---	---------

Note - 7 : Deferred Tax Assets

Balance as per last account	64940	64940
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Note - 8 : Long Term Loans & Advances

Telephone Deposit	4000	4000
Electricity Deposit	65993	65993
Advance for Land	5610000	910000
	5679993	979993

NOTES TO FINANCIAL STATEMENTS

As at 31/03/16 As at 31/03/15

Note - 1 : Share Capital

Authorised

36,00,000 Equity Shares of Rs. 10/-each **3,60,00,000** 3,60,00,000

Issued, Subscribed & Paid - up

30,00,000 Equity Shares of Rs. 10/-each **3,00,00,000** 3,00,00,000

(The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each shareholder is eligible for one vote per share. The dividend proposed, if any, by the Board of Directors is subject to the approval of the shareholders, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their shareholding)

Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company.

As at 31/03/16 As at 31/03/15

S.L No.	NAME OF THE SHARE HOLDER	No. of Shares held	%age of holding	No. of Shares held	%age of holding
1.	M. Muralikrishna	718750	23.96 %	718750	23.96 %
2.	Siva Credits (P) Ltd.	473200	15.77 %	473200	15.77 %
3.	APIDC Ltd.	250000	8.33 %	250000	8.33 %
4.	M.V.N.S. Sushma	237400	7.91 %	237400	7.91 %
5.	P. Kasturi	230400	7.68 %	230400	7.68 %

Note - 2 : Reserves and Surplus

A. General Reserve

Balance as per last account **805000** 805000

B. Reserve Fund

Opening Balance **2191000** 1947000

Add : Transferred during the year **0** 244000

Closing Balance **2191000** 2191000

C. Surplus

Opening Balance **-6193897** -6567955

Add / (Less) : Net profit/(Loss) for the year **-1857222** 618058

Transfer to Reserve Fund **0** 244000

Closing balance **-8051119** -6193897

Total **-5055119** -3197897

III. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) Category-wise Share Holding

Category of	No. of Shares held at the beginning of the year [As on 31-March-2015]			No. of Shares held at the end of the year [As on 31-March-2016]			% Change during the year
	Demat	Physical	Total	Demat	Physical	Total	
A. Promoters							
(1) Indian							
a) Individual/HUF	1783400	---	1783400	1783400	---	1783400	59.45%
b) Central Govt	---	---	---	---	---	---	---
c) State Govt(s)	---	---	---	---	---	---	---
d) Bodies Corp.	---	---	---	---	---	---	---
e) Banks / FI	---	---	---	---	---	---	---
f) Any other	---	---	---	---	---	---	---
Total shareholding of Promoter (A)	1783400	---	1783400	1783400	---	1783400	59.45%
B. Public Shareholding							
1. Institutions	---	---	---	---	---	---	---
a) Mutual Funds	---	---	---	---	---	---	---
b) Banks / FI	2,50,000	---	2,50,000	2,50,000	---	2,50,000	8.33%
c) Central Govt	---	---	---	---	---	---	---
d) State Govt(s)	---	---	---	---	---	---	---
e) Venture Capital Funds	---	2000	2000	---	2000	2000	0.07%

---	---	---	---	---	---	0.02%	---	---	0.28%	---	0.26%
---	---	---	---	8.40%	---	2.40%	---	---	12.62%	---	12.79%
---	---	---	---	2,52,000	---	72125	---	---	378496	---	383729
---	---	---	---	2000	---	54100	---	---	294400	---	195600
---	---	---	---	2,50,000	---	18025	---	---	84096	---	188129
---	---	---	---	8.40%	---	2.42%	---	---	12.34%	---	13.05%
---	---	---	---	2,52,000	---	72475	---	---	370266	---	391609
---	---	---	---	2000	---	54100	---	---	287991	---	203709
---	---	---	---	2,50,000	---	18375	---	---	82275	---	187900
f) Insurance Companies	g) FII's	h) Foreign Venture Capital Funds	i) Others (specify)	Sub-total (B)(1):-	2. Non-Institutions	a) Bodies Corp.	i) Indian	ii) Overseas	b) Individuals	i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	ii) Individual shareholders holding nominal share capital in excess of Rs2 lakh

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2016

PARTICULARS	NOTE NO.	FOR THE Y.E. 31/03/16	FOR THE Y.E. 31/03/15
1. Revenue from operations	13	46,51,770	22,98,569
2. Other Income	14	1,69,197	2,99,815
3. Total revenue (1+2)		48,20,967	25,98,384
4. Expenses			
Changes in inventory of shares in trade	15	0	0
Employee benefits expense	16	1,56,000	2,16,000
Finance costs	17	0	1,23,432
Depreciation and amortisation expense	6	13,435	16,198
Administration and other expenses	18	4,82,401	7,88,647
Provisions and write-offs	19	60,61,851	2,33,639
Total Expenses		67,13,687	13,77,916
5. Profit / (Loss) before tax (3-4)		-18,92,720	12,20,468
6. Tax Expense			
a) Current tax expense for current year		0	6,00,000
b) Current tax expense relating to prior year		35,498	0
c) Net current tax expense		35,498	6,00,000
d) Deferred tax		0	2410
7. Profit / (Loss) for the year		-18,57,222	618058
8. Earnings per equity share of Rs.10/- each			
1) Basic		0.00	0.21
2) Diluted		0.00	0.21

as Per our Report of even date
For SESHADRY & COMPANY
Chartered Accountants
FRN : 004993S

(sd) L. S. RAJENDRA
Partner
M.No. 216211

For and on behalf of the Board
(sd) M. MURALI KRISHNA
Managing Director
DIN : 01889812

(sd) M. V. N. S. SUSHMA
Director
DIN : 01890545

Place: VIJAYAWADA
Date : 23.05.2016

SWARNA SECURITIES LIMITED 26th ANNUAL REPORT

BALANCE SHEET AS AT 31st MARCH, 2016

PARTICULARS	Note No	As at 31-03-2016	As at 31-03-2015
A. EQUITY AND LIABILITIES			
1. SHAREHOLDERS' FUNDS			
(a) Share Capital	1	3,00,00,000	3,00,00,000
(b) Reserves & Surplus	2	-50,55,119	-31,97,897
2. NON - CURRENT LIABILITIES			
(a) Long-Term provisions	3	7,74,205	74,00,723
3. CURRENT LIABILITIES			
(a) Short-term borrowings		0	0
(b) Other current liabilities	4	70,000	70,000
(c) Short-term provisions	5	0	14,50,000
TOTAL		2,57,89,086	3,57,22,826
B. ASSETS			
1. NON - CURRENT ASSETS			
(a) Fixed Assets			
(i) Tangible Assets	6	1,51,89,138	1,57,18,503
(b) Deferred tax assets (net)	7	64,940	64,940
(c) Long-term loans and advances	8	56,79,993	979993
2. CURRENT ASSETS			
(a) Current Investments	9	6,09,746	6,09,746
(b) Trade receivables	10	39,88,805	1,68,29,474
(c) Cash and cash equivalents	11	2,56,464	4,20,678
(d) Other current assets	12	0	10,99,492
TOTAL		2,57,89,086	3,57,22,826

as Per our Report of even date
For SESHADRY & COMPANY
Chartered Accountants
FRN : 004993S

(sd) **L. S. RAJENDRA**
Partner
M.No. 216211

For and on behalf of the Board
(sd) **M. MURALI KRISHNA**
Managing Director
DIN : 01889812

(sd) **M. V. N. S. SUSHMA**
Director
DIN : 01890545

Place: VIJAYAWADA
Date : 23.05.2016

SWARNA SECURITIES LIMITED 26th ANNUAL REPORT

	---	---	---	---	---	---	---	---	---
	4.34%	---	---	---	---	---	32.15%	40.55%	100%
	130250	---	---	---	---	---	964600	1216600	3000000
	130250	---	---	---	---	---	674350	676350	676350
	---	---	---	---	---	---	290250	540250	2323650
	4.34%	---	---	---	---	---	32.15%	40.55%	100%
	130250	---	---	---	---	---	964600	1216600	3000000
	130250	---	---	---	---	---	676050	678050	678050
	---	---	---	---	---	---	288550	538550	2321950
c) Others (specify)									
Non Resident Indians									
Overseas Corporate Bodies									
Foreign Nationals									
Clearing Members									
Trusts									
Foreign Bodies - D R									
Sub-total (B)(2):-							288550	538550	2321950
Total Public Shareholding (B)=(1)+(B)(2)									
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)									

B) Shareholding of Promoter -

S.No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	M. Murali Krishna	718750	23.96%	---	718750	23.96%	---	---
2	M.V.N.S. Sushma	237400	7.91%	---	237400	7.91%	---	---
3	Siva Credits (P) Ltd	473200	15.77%	---	473200	15.77%	---	---
4	P. Kasturi	230400	7.68%	---	230400	7.68%	---	---
5	G.V. Chandra Rao	123650	4.12%	---	123650	4.12%	---	---

- (viii) According to the information and explanations given to us and as per records of the Company examined by us, the Company has not defaulted in repayment of any dues to any banks, financial institutions or debentures holders.
- (ix) According to the information and explanations given to us and as per records of the Company examined by us, the Company has not raised any moneys by way of any public offer or any term loan.
- (x) No fraud on or by the Company has been noticed or reported during the year under audit.
- (xi) The Company has not paid any managerial remuneration during the year under audit.
- (xii) The Company is not a Nidhi Company. Hence, not applicable.
- (xiii) According to the information and explanations given to us and as per the records of the Company examined by us there are no ransactions with any of the related parties during the year.
- (xiv) The Company has not made any preferential allotment or private placement of any shares, convertible or otherwise, during the year. Hence, not applicable.
- (xv) According to the information and explanations given to us and as per the records of the Company examined by us the Company has not entered in to any non-cash transactions with any directors or persons connected with them.
- (xvi) The Company was in to non-banking finance business and as such was registered under the provisions of section 45-IA of the Reserve Bank of India Act, 1934. However, the Board of Directors in their meeting held on 15/10/2015 has decided to come out of NBFC business and accordingly surrendered the certificate of registration to the Reserve Bank of India for cancellation. The Reserve Bank of India has duly passed an order dated 21/03/2016 cancelling the certificate. The Company has thus stopped business of an NBF1 since 15.10.2015.

PLACE: Vijayawada
DATE : 23/05/2016

For **SESHADRY & COMPANY**
Chartered Accountants
FRN: 004993S

(**L.S.RAJENDRA**)
Partner
M.No.216211

Annexure referred to in our report

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) According to the information and explanations given to us and as per the records of the Company examined by us the management has physically verified the fixed assets and no material discrepancies have been noticed on such verification.
- (c) As per the records of the Company examined by us the title deeds to all the immovable properties belonging to the Company are held in the name of the Company itself.
- (ii) The business of the Company does not involve holding any inventories. Hence,
 - (a) Not Applicable
 - (b) Not Applicable
 - (c) Not Applicable
- (iii) The Company has not granted any loans or advances to any of the parties covered in the register maintained under section 189 of the Companies Act, 2013. Hence,
 - (a) Not Applicable
 - (b) Not Applicable
 - (c) Not Applicable
- (iv) As per the information and explanations given to us and as per the records of the Company examined by us the Company has not given any loans to any directors or to any other person in whom any director is interested; or given any guarantee or security in connection with any loans taken by them. The Company being in to non-banking finance business, the provisions of section 186 are not applicable.
- (v) According to the information and explanations given to us and as per the records of the Company examined by us the Company has not accepted any deposits from the public.
- (vi) The Central Government has not prescribed the maintenance of any cost records in respect to the activities of the Company.
- (vii)(a) According to the information and explanations given to us and as per the records of the Company examined by us, the Company has been regular in depositing the applicable statutory dues with the appropriate authorities. There are no undisputed amounts of any statutory dues outstanding as at the Balance Sheet date, for a period of more than six months from the date they became payable.

(b) Nil

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

S.No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):		No Change		
	At the end of the year				

D) Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs):

S.No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):		As Per Schedule - I		
	At the end of the year				

E) Shareholding of Directors and Key Managerial Personnel :

S.No.	Shareholding of each directors and each key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
1	M. Murali Krishna	718750	23.96%	---	---
2	M.V.N.S. Sushma	237400	7.91%	---	---
3	Pradeep Kumar	400	0.01%	---	---
4	K. Sridhar	38400	1.28%	---	---
5	M. Karunakar	77300	2.58%	---	---
	At the beginning of the year---	No Change	---		

- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) The going concern matter described under the *Emphasis of Matters* paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
- (f) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164(2) of the Act.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. the Company does not have any pending litigations which would impact its financial position.
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

PLACE: Vijayawada

DATE : 23/05/2016

For SESHADRY & COMPANY

Chartered Accountants

FRN: 004993S

(L.S.RAJENDRA)

Partner

M.No.216211

Emphasis of Matters

Without qualifying our opinion, we draw attention to clause (6) of Note 1 to the financial statements, "Notes on Accounts & Significant Accounting Policies", which describes the failure of the Company to meet the principal business criteria set out by the Reserve Bank of India for holding the certificate of registration as a non-banking finance company. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However, the financial statements of the Company have been prepared on a *going concern* basis, for the reasons stated in the said Note.

Report on Other Legal and Regulatory Requirements

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 Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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.

IV) INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				
Change in Indebtedness during the financial year				
* Addition				
* Reduction				
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				

V. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-
A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

S.No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	--	--	--	
2	Stock Option				
3	Sweat Equity				
4	Commission - as % of profit - others, specify...				
5	Others, please specify				
	Total (A)				
	Ceiling as per the Act				

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its profit and its cash flows for the year ended on that date.

INDEPENDENT AUDITOR'S REPORT

To the Members of
SWARNA SECURITIES LIMITED.

Report on the Financial Statements

We have audited the accompanying financial statements of M/s **Swarna Securities Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

B. Remuneration to other directors		Total Amount
S.No.	Particulars of Remuneration	
1	Independent Directors	N/A
	Fee for attending board committee meetings	
	Commission	
	Others, please specify	
	Total (1)	
2	Other Non-Executive Directors	N/A
	Fee for attending board committee meetings	
	Commission	
	Others, please specify	
	Total (2)	
Total (B)=(1+2)		
Total Managerial Remuneration		
Overall Ceiling as per the Act		

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

S.No.	Particulars of Remuneration	Key Managerial Personnel			
		CFO	CS	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2	Stock Option				
3	Sweat Equity				
4	Commission				
	- as % of profit				
	others, specify...				
5	Others, please specify				
	Total				

AUDITOR'S REPORT ON CORPORATE GOVERNANCE

**To
The Members
SWARNA SECURITIES LIMITED.**

We have examined the compliance of conditions of Corporate Governance by *Swarna Securities Limited* for the year ended 31st March, 2016 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Bombay Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said Clause. 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 and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India we have to state that no investor grievances were pending for a period of one month against the Company as per records maintained by the Shareholders/ Investor's Grievances Committee.

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

PLACE: Vijayawada

DATE : 23/05/2016

For SESHADRY & COMPANY

Chartered Accountants

FRN: 004993S

(L.S.RAJENDRA)

Partner

M.No.216211

vii) Market Price Data :

	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
High	14.00	13.95	13.26	13.21	00.00	00.00	00.00	00.00	13.10	13.60	00.00	00.00
Low	13.50	13.30	12.60	12.55	00.00	00.00	00.00	00.00	13.10	13.60	00.00	00.00

- viii) Performance in comparison to Broad based indices : -----
- ix) Registrar & Transfer Agents : M/s Aarthi Consultants Private Limited, 1-2-285, Domalguda, Hyderabad- 29
- x) Share transfer System : Transfers and dematerialization are handled by the Transfer Agents.
- xi) Distribution of shareholding:

Slab of share holding	Share holders	Percentage	No of shares	Percentage
0-500	349	64	95333	3
501-1000	111	20	93814	3
1001-2000	36	6	57450	2
2001-3000	16	3	40600	1
3001-4000	8	2	28200	1
4001-5000	5	1	22800	1
5001-10000	5	1	37100	1
10001 and above	17	3	2624703	88
TOTAL	547	100	3000000	100

- xii) Dematerialisation of Shares : As on 31.03.2016 a total number of 2323650 shares have been dematerialized.
- xiii) Outstanding GDRs/ADRs/ Warrants or any Convertible Debentures : The Company has not issued any GDRs/ADRs/ warrants or any convertible instruments.
- xiv) Plant Location : Not Applicable
- xv) Address for Correspondence : Swarna Securities Limited II Floor, Swarnalok Complex Governorpet, VIJAYAWADA – 520 002.

VI. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

Nil

Schedule-1 to Annexure B: Form MGT-9 EXTRACT OF ANNUAL RETURN
Shareholding pattern of top 10 shareholders (Other than Directors, Promoters, Holders of ADRs, GDRs)

S.No.	Name	Shareholding		Date	Increase / Decrease in shareholding	Reason	Cumulative shareholding during the year	
		No. of shares at the beginning / end of the year	% of total shares of the Company				No. of shares	% of total shares of the Company
1	A.P.I.D.C. Ltd.,	250000	8.33%				250000	8.33%
2	Ch.V. Narasimha Rao	134869	4.50%				134869	4.50%
3	Haridar Kankar	78250	2.61%				78250	2.61%
4	Y. Ratnakar	58100	1.94%				58100	1.94%
5	Sri Krishnadevaraya Hatcheries (P) Ltd.	51400	1.71%				51400	1.71%
6	K. Srinivasa Reddy	50000	1.67%	10/04/15	200	Transfer	50000	1.67%
7	K. Venkata Narayana	30304	1.01%	28/04/15	200	Transfer	30504	1.02%
				13/05/15	50	Transfer	30754	1.02%
				19/05/15	460	Transfer	31214	1.04%
				18/06/15	350	Transfer	31564	1.05%
				30/06/15	13861	Transfer	45425	1.52%
				01/07/15	5636	Transfer	51061	1.70%
				03/07/15	1699	Transfer	52760	1.76%
8	P.V. Appa Rao	21800	0.73%				21800	0.73%
9	Muthavarapu Leasing (P) Ltd.,	16124	0.54%				16124	0.54%
10	Rajkumari Agarwal	11800	0.39%				11800	0.39%

Risk of insolvency of the borrowers:

Where the borrower becomes insolvent, and is unable to clear the loan, the same becomes a bad debt and the total loan amount and the interest accrued thereon becomes a charge on the income generated by other good transactions.

To mitigate this risk, the company follows a very conservative policy of lending.

e) **INTERNAL CONTROL SYSTEMS:**

The Company has an adequate system of internal control and management with respect to disbursement of loans and follow-up action for collection of installments.

f) **HUMAN RESOURCES:**

There are no significant developments in this front during the year under review.

IX. GENERAL SHAREHOLDERS' INFORMATION:

i) AGM Date, time and Venue : 27th June, 2016 at 10.00 A.M.

D.No. 54-15-3, Ring Road
VIJAYAWADA – 8.

ii) Financial Year : 2015-16

iii) Date of Book Closure : 23rd June, 2016 to 27th June, 2016(Both days inclusive)

iv) Dividend Payment Date : Not Applicable

v) Listing on Stock Exchanges: BSE Limited

vi) Stock Code : SWRNASE

VII. MEANS OF COMMUNICATION:

The unaudited quarterly and annual financial results are sent to all the stock exchanges where the shares of the Company are listed. The results are also published in newspapers.

VIII. MANAGEMENT DISCUSSION AND ANALYSIS:**a) INDUSTRY STRUCTURE AND DEVELOPMENT:**

With the entry of Banking Companies into the Non-banking Sector and the strict controls imposed by the Apex Bank, the NBFC sector is struggling for existence. The future of these Companies seems to be grim except for a few who have strong investor confidence and support. There shall be no development unless these Companies diversify to other fund/non-fund based activities.

b) OPPORTUNITIES AND THREATS:

At present there seems to be no good opportunities for NBFCs in future

c) SEGMENT WISE PERFORMANCE:

The Company is engaged in the hire purchase loans and advances segment, the performance of which was discussed earlier in the report.

d) RISKS AND CONCERNS:Risk of delayed receipt of installments:

In case of delayed receipts of installment amounts of the hire purchase finance given, the funds of the Company get blocked resulting in high non-performing assets.

To mitigate this risk, the Company is trying to put pressure on the delayed payers for payment of installments and in inevitable cases legal action is also being initiated.

REPORT ON CORPORATE GOVERNANCE

- I. Your Company has been practicing the principles of good corporate governance and lays a strong emphasis on transparency, accountability and integrity. All the matters of strategy, significant developments etc., are routinely placed before the Board. The Audit, Share Transfer and Investor Grievance Committees meet regularly to consider the aspects relevant to each committee.

II. BOARD OF DIRECTORS

- a) Composition and Category of Directors as on 31st March, 2016

Category	No of Directors
Promoter Directors	1
Executive Directors	1
Non-Executive, Independent Directors	3
Total	5

- b) Attendance of each Director at the Board Meetings and the last AGM

Director	No. of Board Meetings held	No of Board Meetings Attendance	Last AGM Attendance (Yes/No)
Sri M. Murali Krishna	12	12	Yes
Smt. M.V.N.S.Sushma	12	12	Yes
Sri Pradeep Kumar	12	12	Yes
Sri K Sridhar	12	12	Yes
Sri M. Karunakar	12	02	NA

- c) Number of Other Directorships or Board Committees he/she is a member or chairperson of

Name of Director	Number of Directorships	No. of Member ships in Board Committees Other than SSL	Whether Member or Chairman
Sri M. Murali Krishna	10	1	Chairman
Sri M.V.N.S.Sushma	06	-	-
Sri Pradeep Kumar	0	-	-
Sri K Sridhar	0	-	-
Sri M. Karunakar	0	-	-

- d) Number of Board Meetings held and dates on which held
Twelve Board Meetings were held during the financial year from 01.04.2015 to 31.03.2016. The dates on which the meetings were held are as follows:

04.04.2015, 29.04.2015, 12.06.2015, 11.07.2015, 29.07.2015, 08.08.2015, 22.08.2015, 15.10.2015, 29.10.2015, 31.12.2015, 29.01.2016 and 25.02.2016.

III. AUDIT COMMITTEE

- a) Terms of Reference:

The responsibilities of the Audit Committee include the overseeing of the financial reporting process to ensure a proper disclosure of the financial statements; recommending appointment/removal of the external auditors and fixing their remuneration; reviewing the quarterly, half yearly and annual financial results before submission to the Board; reviewing the adequacy of internal control systems; structure and staffing of the internal audit function, reviewing findings of the internal investigations and to make recommendations to the Board on any matter relating to the financial management of the Company including the Audit Report.

- b) Composition

The Audit Committee consists of the following non-executive Directors

1.	Sri Pradeep Kumar	Chairman
2.	Sri K Sridhar	Member
3.	Sri M. Karunakar	Member

- c) Meetings and Attendance of the Audit Committee during the year
A total of 4 meetings were held during the financial year from 01.04.2015 to 31.03.2016 on 29.04.2015, 29.07.2015, 29.10.2015 and 29.01.2016.

All the Members and the Chairman attended all the meetings.

IV. SHAREHOLDERS COMMITTEE

The Board has constituted the Share Holders Committee which looks into shareholders and investors grievances. The Following are the members of the Committee

Sri Pradeep Kumar	Chairman
Sri K Sridhar	Member
Sri M. Karunakar	Member

During the year 2015-16, a total number of 1500 shares were transferred and as at 31st March, 2016 there are No Equity shares pending for transfer.

There are no complaints received during the year under review and as on 31st March, 2016 there are no complaints that are pending. Since the company has an in-house secretarial department in addition to the common agency for transfers, the shareholders grievances, if any are promptly attended to.

Name of the Compliance Officer : Ch.V. Narasimha Rao

V. GENERAL BODY MEETINGS:

The Location and Time of the Annual General Meetings held during the last 3 years are as follows:

AGM	Date	Time	Venue	No of Special Resolutions
23rd	10.07.2013	10.00 A M	D.No.54-15-3, Ring Road, Vijayawada	Nil
24th	07.07.2014	10.00 A M	D.No.54-15-3, Ring Road, Vijayawada	Nil
25th	11.07.2015	10.00 A M	D.No.54-15-3, Ring Road, Vijayawada	Nil

For the year ended 31st march, 2016 there have been no ordinary or special resolutions passed by the Company's shareholders through postal ballot.

VI. DISCLOSURES:

- a) There are no non-compliances by the Company, penalties strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.
- b) No personnel has been denied direct access to the Audit Committee.
- c) All the mandatory requirements with respect to Corporate Governance Clause 49 of listing agreement) are complied with.

PRINTED MATTER

BOOK - POST

To

IF UNDELIVERED PLEASE RETURN TO :

SWARNA SECURITIES LIMITED

27-1-102, II Floor
Governorpet
VIJAYAWADA - 520 002.
Phone : 2575928



Swarna Securities Limited

26th ANNUAL REPORT

2015 - 16

Registered Office :
27-1-102, II Floor
Governorpet
VIJAYAWADA - 520 002.
Phone : 2575928