

ANNUAL REPORT

2023-24



CITYON SYSTEMS (INDIA) LIMITED

CIN: L72900DL2004PLC126096

REGD. OFF.: 215, DELHI CHAMBERS, DELHI GATE, DELHI - 110002

Ph. No.: 7054865564

**E-mail: info@cityonsystems.in,
cityonsystems1@rediffmail.com**

Website: cityonsystems.in

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Mukesh Kumar
Managing Director
(DIN:06573251)

Mr. Abhishek Tandon
Director
(DIN:03530860)

Mr. Gaya Prasad Gupta
Director
(DIN:00335302)

Mr. Anoop Srivastava
Director
(DIN: 06571462)

Kavita Awasthi
Director
(DIN: 03106803)

REGISTERED OFFICE:

215, Delhi Chambers, Delhi Gate, Delhi- 110002

CIN: L72900DL2004PLC126096

REGISTRAR & TRANSFER AGENT:

Skyline Financial Services Pvt. Ltd.
D-153/A, 1st Floor, Okhla Industrial Area,
Phase 1, New Delhi - 110020

Ph. Nos.: 011-26812681-83/64732681-88

E-mail: admin@skylinerta.com

BANKER: Canara Bank

KEY MANAGERIAL PERSONNEL

Company Secretary
Radhika Jhunjhunwala

Chief Financial Officer
Ashok Kumar Sharma

AUDITORS

Statutory Auditors:
Srivastava S & Co.
Chartered Accountants,
112/206 A, Ground Floor Swaroop Nagar,
Kanpur, 208002

Secretarial Auditors:
CS Vaibhav Agnihotri
M/s. V. Agnihotri & Associates
Company Secretaries
401, Kan Chambers, 14/113,
Civil Lines, Kanpur - 208001

INDEX

S. No.	Content	Page No.
1	Notice	5-17
2	Director's Report	18-38
3	Secretarial Audit Report	39-47
4	CFO-CEO Certification	48
5	AOC-2	49
6	Management Discussion & Analysis Report	51-52
7	Auditor's Report	53-67
8	Balance Sheet	68
9	Profit & Loss Account	69
10	Cash Flow Statement	70
11	Notes to accounts	71-80
12	Significant Accounting Policies	81-82

Managing Director's Letter

Dear Shareholders,

I am pleased to present our annual report for the fiscal year 2023-24. Despite ongoing challenges in our operating environment, I am encouraged to report that our company has made significant progress in reducing our losses compared to the previous year.

While we have not yet returned to profitability, the substantial reduction in our net loss demonstrates that our strategic initiatives are gaining traction. Our focus on cost optimization, operational efficiency, and targeted growth in high-margin segments has begun to yield positive results.

We have taken steps to optimize our operational efficiency and streamline our internal processes. By implementing cost-saving measures and leveraging digital solutions, we have made significant progress in enhancing our productivity and reducing overhead expenses. These efforts will contribute to our ability to navigate challenging market conditions and improve our profitability in the long run. As always, we appreciate the trust and confidence you have placed in us as shareholders. Your continued support and belief in our company motivate us to strive for excellence and deliver long-term value. We remain dedicated to transparency and open communication, and we will keep you informed of our progress at regular intervals.

In conclusion, although the current year's performance was a cut above the last year's performance, as we are on the road of recovery while we have not yet reached our ultimate goal of sustained profitability, the significant reduction in our losses this year is a clear indication that we are moving in the right direction. I want to express my sincere gratitude to our employees for their dedication, our customers for their loyalty, and you, our shareholders, for your continued support and trust.

We remain committed to creating long-term value for all our stakeholders and are confident that our strategic initiatives will drive further improvements in the coming year.

Yours sincerely

SD/-

Mukesh Kumar

(Managing Director)

Cityon Systems (India) Ltd.



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Phone No. : +91-11-41563395, 43667149

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NOTICE

Notice is hereby given that the 20th Annual General Meeting of Shareholders of **Cityon Systems (India) Limited** will be held on Thursday, September 19th, 2024 at 03:00 P.M. at the registered office of the company at 215, Delhi Chambers, Delhi Gate, Delhi - 110002, to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statements for the financial year ended on 31st March, 2024 and the Reports of Board of Directors and Auditor's thereon.
2. To appoint a Director in place of Mr. Mukesh Kumar (DIN: 06573251), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

3. To consider and if thought fit, to pass with or without modification, if any, the following resolution as a **Special Resolution**:-

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time, read with Schedule V to the Act (including any statutory modifications or re-enactment thereof for the time being in force) as recommended by the Nomination & Remuneration Committee in their meeting held on 31st day of July, 2024, approval of the members of the Company is hereby accorded to re-appointed, Mr. Mukesh Kumar (DIN: 06573251), as Managing Director of the Company under the category of Key Managerial Personnel, liable to retire by rotation subject to the condition that his tenure will not be effected by such retirement and will be re-appointed in the same meeting, for a further period of 5 (five) years effective from 31st day of July, 2024 to 30th day of July, 2029 on the following terms and conditions: -

I) Salary

Rs. 20,000/- (Rupees Twenty Thousand only) per month and further as mutually decided by the Board of Directors time to time pursuant to the provisions of the Companies Act, 2013.

II) Perquisites

As per policy of the Company.

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RESOLVED FURTHER THAT the Board of Directors of the Company (which term shall be deemed to include the Nomination & Remuneration Committee or any other Committee of the Board constituted to exercise its powers conferred by this resolution) be and is hereby authorized and empowered to approve annual increments in Salary paid or payable to Mr. Mukesh Kumar with effect from 1st April, or such other date as may be decided in each year within the maximum limit of consolidated salary to the extent of Rs. 20,000.00 p.m.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during the term of office of the Managing Director, the Company will pay him remuneration by way of salary and perquisites not exceeding the ceiling laid down in Part II of Schedule V of the Companies Act, 2013(including any statutory modification or re-enactment thereof, for time being in force) as may be applicable from time to time.

RESOLVED FURTHER THAT the Managing Director will not be entitled to any sitting fee for the meetings of the Company.

RESOLVED FURTHER THAT Ms. Radhika Jhunjunwala Company Secretary of the Company or any other Director of the company be and are hereby jointly or severally authorized to do all acts, deeds, matters and things as deemed necessary, proper or desirable and to sign and execute all necessary documents, applications and returns along with filing of necessary E-form with the Registrar of Companies, NCT of Delhi Haryana and to do all things, deeds and matters as may be necessary in this regard.”

4. To consider and if thought fit, to pass with or without modification, if any, the following resolution as a **Ordinary Resolution**:-

“RESOLVED THAT pursuant to the provisions of Section 149, 150 152, 160 and any other applicable provisions (if any) of the Companies Act, 2013, and any rules made there under read with Schedule V of the Companies Act, 2013, and on the recommendations made by the Nomination & Remuneration Committee, Mr. Gyan Singh (DIN: 07385171), be and is hereby elected and appointed as Non- Executive Independent Director of the Company for a term up to five consecutive years commencing from the Annual General Meeting of the Company to the date of the Annual General Meeting to be held in the year 2029.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution any of the Directors or KMPs of the Company be and is hereby authorized to do all acts, deeds, matters and things as deemed necessary, proper or desirable and to sign and execute all necessary documents, applications and returns along with filing of necessary E-form with the Registrar of Companies.

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5. To consider and if thought fit, to pass with or without modification, if any, the following resolution as a **Ordinary Resolution**:-

“RESOLVED THAT pursuant to the provisions of Section 149, 150 152, 160 and any other applicable provisions (if any) of the Companies Act, 2013, and any rules made there under read with Schedule V of the Companies Act, 2013, and on the recommendations made by the Nomination & Remuneration Committee, Mr. Yugank Gadi (DIN: 10734950) be and is hereby appointed as a Non-Executive Independent Director of the Company for a term up to five consecutive years commencing from this Annual General Meeting of the Company to the date of the Annual General Meeting to be held in the year 2029.

“RESOLVED FURTHER THAT any of the Directors/ KMP of the Company be and are hereby responsible to do all such acts, deeds and things as may be necessary and expedient to give effect to the aforesaid resolution.”

FOR CITYON SYSTEMS (INDIA) LIMITED

(Radhika Jhunjhunwala)

Company Secretary

M. No.: A38550

Place: Delhi

Date: 20.08.2024

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NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. The Proxy Form should be lodged with the Company at the Registered Office at least 48 hours before the time of the Meeting.
2. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other shareholder.
3. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
4. The Register of Members and Share Transfer Books will remain closed from **September 12th, 2024 to September 19th, 2024** (both days inclusive) for the purpose of AGM.
5. Shareholders are requested to promptly notify any changes in their address to the Company's Registrar and Share Transfer Agents, **Skyline Financial Services Private Limited**
6. Members who have not registered their e-mail id addresses so far are requested to register their email address in case of physical holding with the Company and in case of demat holding with the Depository Participant.
7. Electronic copy of the notice of the 20th Annual General Meeting of the Company inter alia indicating the e-voting procedure along with the attendance slip and proxy form is being sent to all the members whose e-mail address are registered with the Company/Depository Participant for communication purposes unless any member has requested for a hard copy of the same.
8. All documents referred to in the Notice and the annexure to notice shall be open for inspection at the Registered Office of the Company during office hours on all working days except Saturdays between 11.00 a.m. to 1.00 p.m. up to the date of the 20th Annual General Meeting of the Company.
9. Members are requested to bring their identity cards along with copy of Annual Report to the Meeting.
10. Members desirous of obtaining any information concerning accounts of the Company are requested to address their questions to the Company Secretary, so as to reach at least 7 days before the date of meeting, to enable the information required to be made available at the Meeting, to the extent possible.

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11. Pursuant to Section 72 of the Companies Act, 2013, shareholders holding shares in physical form may file nomination in the prescribed form SH-13 with the Company's Registrar and Transfer Agent. In respect of shares held in demat / electronic form, the nomination form may be filed with the respective Depository Participant.

12. Corporate Members are requested to send to the Company, a duly certified copy of the Board resolution/Power of Attorney, authorizing their representatives to attend and vote at the Annual General Meeting.

13. With reference to Rule 20 of the Companies (Management and Administration) Amendment Rules 2015, your company is listed on SME Platform of BSE under the regulation of chapter X of the SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2018, Erstwhile chapter XB of SEBI (Issue of Capital and Disclosure Requirement) Regulations 2009, is not required to provide the e-voting process for the consideration of resolutions, proposed at the General Meeting.

ELECTRONIC DISPATCH OF ANNUAL REPORT-In accordance with, the General Circular No. 2/2021 dated 13th January, 2021 issued by MCA and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020 issued by SEBI, owing to the difficulties involved in dispatching of physical copies of the financial statements (including Report of Board of Directors, Auditor's report or other documents required to be attached therewith), such statements including the Notice of AGM are being sent in electronic mode to Members whose e-mail address is registered with the Company or the Depository Participant(s).

Information of Directors being appointed/re-appointed as required under Regulation 36 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard -II-

1.Name of the Director	Mr. Mukesh Kumar
Date of Birth	20.10.1959
Date of Appointment on the Board	04.05.2013
Number of Shares held in the Company	2687332
Number of Meetings of the Board attended/held	4/4
Directorships held in other public companies(excluding foreign companies and Government Bodies)	NIL
Chairman/Member in the committees of the Boards of Companies in which he is Director (includes only Audit Committee, Stakeholder relationship Committee and Nomination and Remuneration Committee)	Nil
Expertise	Accounting, Finance and Investment
Relationship between director's inter se, if any	No

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2. Name of the Director	Mr. Gyan Singh
Date of Birth	06.06.1967
Date of Appointment on the Board	19.09.2024
Number of Shares held in the Company	Nil
Number of Meetings of the Board attended/held	0/0
Directorships held in other public companies (excluding foreign companies and Government Bodies)	2
Chairman/Member in the committees of the Boards of Companies in which he is Director (includes only Audit Committee, Stakeholder relationship Committee and Nomination and Remuneration Committee)	<ul style="list-style-type: none">• Rich Universe Network Limited• Nikki Global Finance Limited Audit Committee Member
Expertise	Business
Relationship between director's inter-se, if any	N/A

3. Name of the Director	Mr. Yugank Gadi
Date of Birth	28.11.1989
Date of Appointment on the Board	19.09.2024
Number of Shares held in the Company	Nil
Number of Meetings of the Board attended/held	0/0
Directorships held in other public companies (excluding foreign companies and Government Bodies)	0
Chairman/Member in the committees of the Boards of Companies in which he is Director (includes only Audit Committee, Stakeholder relationship Committee and Nomination and Remuneration Committee)	N.A
Expertise	Business
Relationship between director's inter-se, if any	N/A

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ATTENDANCE SLIP

20th ANNUAL GENERAL MEETING – SEPTEMBER 19th, 2024

CITYON SYSTEMS (INDIA) LIMITED

Regd. Office: 215, DELHI CHAMBERS, DELHI GATE, DELHI - 110002

CIN: L72900DL2004PLC126096

DP ID/Client ID/Folio No.

No. of shares held

I Certify that I am a member/proxy for the member of the Company.

I, hereby record my presence at the 20th Annual General Meeting held on Thursday, September 19, 2024 at 03:00 P.M. at 215, Delhi Chambers, Delhi Gate, Delhi – 110002

Name of the Member -----

Name of the Proxy -----

Signature -----

Note: Please complete this Attendance Slip and hand it over at the Attendance Verification Counter at the entrance of the meeting hall. Members are requested to bring their copy of the Annual Report for reference at the meeting.

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PROXY FORM

{Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014}

20th ANNUAL GENERAL MEETING – SEPTEMBER 19th, 2024

Regd. Office: 215, Delhi Chambers, Delhi Gate, Delhi - 110002

CIN: L72900DL2004PLC126096

Name of the member(s) :	
Registered Address :	
E-mail ID :	
Folio No/Client ID :	
DP ID :	

I / We, being the member(s) of the above named Company hold shares, hereby appoint:

Name:	Address:
E-mail ID:	Signature:

or failing him/her

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Name:	Address:
E-mail ID:	Signature:

or failing him/her

Name:	Address:
E-mail ID:	Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 20th Annual General Meeting of the Company, to be held on Thursday, September 19, 2024 at 03:00 p.m. at 215, Delhi Chambers, Delhi Gate, Delhi – 110002 and at any adjournment thereof in respect of such resolutions as are indicated below:

S.NO	RESOLUTION	VOTE	
		FOR	AGAINST
1.	To Adopt the statement of Profit & Loss, Balance Sheet, report of Director's and Auditor's for the financial year 31st March, 2024		
2.	To appoint a director in place of Mr. Mukesh Kumar (DIN: 06573251), who retires by rotation and being eligible, offers himself for re-appointment.		
3.	To re-appoint Mr. Mukesh Kumar as the Managing Director of the Company under the category of Key Managerial Personnel.		
4.	To appoint Mr. Gyan Singh (DIN: 07385171), as Non-Executive Independent Director of the Company for a term up to five consecutive years.		
5.	To appoint Mr. Yugank Gadi (DIN: 10734950) as a Non-Executive Independent Director of the Company for a term up to five consecutive years.		

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Signed this day of 2024

Signature of shareholder:

Affix 1 Rupees

Revenue

Stamp

Signature of Proxy holder(s):

Note:

1. 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.
2. A person can act as a Proxy on behalf of not more than fifty members holding in aggregate, not more than ten percent of the total share capital of the Company. Members holding more than ten percent of the total share capital of the Company may appoint a single person as Proxy, who shall not act as a Proxy for any other Member.

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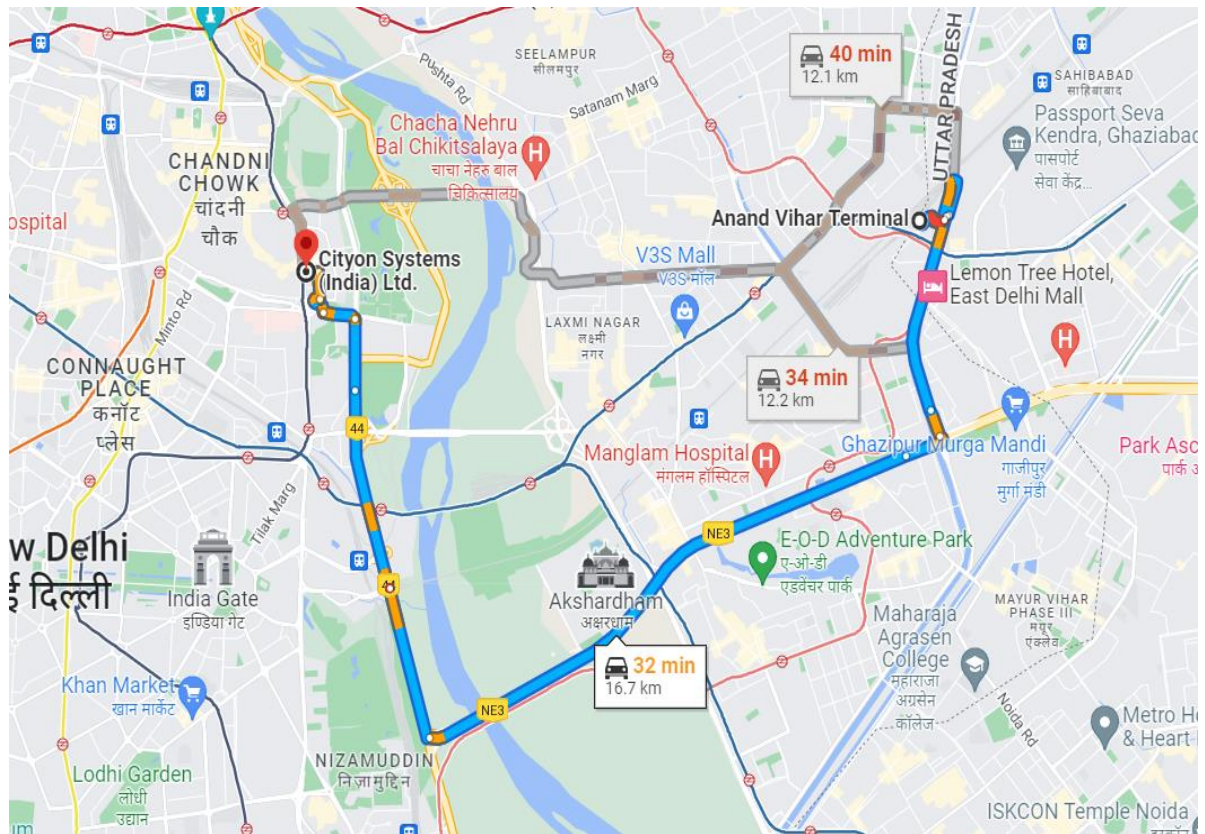
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ROUTE MAP TO THE VENUE OF AGM

215, DELHI CHAMBERS, DELHI GATE, DELHI - 110002



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EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 3

As per Section 196, 197, 203 of the Act, Manging

Director shall hold office for a term of upto 5 (five) years on the Board of a Company but shall be eligible for reappointment on passing a special resolution by the Company .The board of Directors appointed him in the meeting held on 31st day of July, 2024 subject to the approval of shareholders.

The Members of the Company had at the Annual General Meeting held on 30th September, 2019, approved the appointment of Mr. Mukesh Kumar (DIN: 00335302) for a period of 5 years commencing from 31st day of July, 2024 to 30th day of July . Based on his performance evaluation and recommendation of Nomination and Remuneration Committee and in terms of the applicable provisions of the Act and the Listing Regulations, Mr. Mukesh Kumar, is eligible for re-appointment as Managing Director and had offered him for re-appointment. The Board of Directors recommend the proposal to re-appoint him as Managing Director for a term as mentioned in the Notice.

Item No. 4:-

The Nomination and Remuneration Committee recommends the appointment of Mr. Gyan Singh as Non-Executive Independent Director of the Company pursuant to Section 149, 150 152, 160 of the Companies Act,2013.

Mr. Gyan Singh has given a declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Act. In the opinion of the Board, he fulfills the conditions specified in the Act read with the rules made thereunder for appointment as an Independent Director and he is independent of the management.

Mr. Gyan Singh is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as Director. In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mr. Gyan Singh as an Independent Director is now being placed before the Members for their approval. The Nomination and Remuneration Committee recommends the said resolution for your approval.

Mr. Gyan Singh is deemed to be interested in the said resolution as it relates to his appointment. None of the other Directors or key managerial personnel or their relatives, in anyway, concerned or interested in the said resolution.

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Item No. 5:-

The Nomination and Remuneration Committee recommends the appointment of Mr. Yugank Gadi as Non-Executive Independent Director of the Company pursuant to Section 149, 150 152, 160 of the Companies Act,2013.

Mr. Yugank Gadi has given a declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Act. In the opinion of the Board, he fulfills the conditions specified in the Act read with the rules made thereunder for appointment as an Independent Director and he is independent of the management.

Mr. Yugank Gadi is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as Director. In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mr. Yugank Gadi as an Independent Director is now being placed before the Members for their approval. The Nomination and Remuneration Committee recommends the said resolution for your approval.

Mr. Yugank Gadi is deemed to be interested in the said resolution as it relates to his appointment. None of the other Directors or key managerial personnel or their relatives, in anyway, concerned or interested in the said resolution.

FOR CITYON SYSTEMS (INDIA) LIMITED

(Radhika Jhunjunwala)

Company Secretary

M. No.: A38550

Place: - Delhi

Date: - 20.08.2024

DIRECTOR'S REPORT

Your directors have pleasure in presenting the Annual Report together with the Audited Statement of Accounts for the year ended on 31st March, 2024.

1) FINANCIAL RESULTS:

Financial Results of the Company for the year under review along with figures for the previous year are as follows:

Amount in (Rs.)

2. PARTICULAR	FINANCIAL YEAR ENDED	
	31.03.2024	31.03.2023
Total Revenue	240.00	83,146.51
Total Expenses	808,639.00	9,97,643.96
Profit/ (Loss) before Prior Period Items and Tax (PBT)	(808,399.00)	(9,14,497.45)
Add: Prior Period Items	00.00	00.00
Profit/(Loss) before Tax	(808,399.00)	(9,14,497.45)
Less: Provision for taxation (including deferred tax	(45,575.84)	2,442.00
Profit after Tax (PAT)	(762,823.16)	(9,16,939.45)
EPS (Basic)	(0.04)	(0.05)
Diluted	(0.04)	(0.05)

2) DEPOSITS:

The Company has not accepted any deposit from public/shareholders in accordance with Section 73 & 76 of the Companies Act, 2013 and, as such, no amount on account of principal or interest on public deposits was outstanding on the date of the Balance Sheet.

3) **DIVIDEND:**

The Board of Directors does not recommend any dividend due to loss incurred during the financial year.

4) **CHANGES IN SHARE CAPITAL:**

There has been no change in Share Capital of the company during the year.

5) **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:**

The particulars of loans or guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013, if any have been disclosed in the financial statements.

6) **STATE OF THE COMPANY'S AFFAIRS AND NATURE OF BUSINESS:**

The nature of business of the Company during the year remains unchanged.

7) **TRANSFER TO RESERVES:**

No amount was transferred to Reserve and Surplus Account during the year, due to loss incurred by the company.

8) **MATERIAL CHANGES AND COMMITMENTS:**

There have been no material changes and commitments during the year.

9) **INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:**

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Auditors is subject to provisions of the Companies Act, 2013 and rules made thereunder. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board and to the Managing Director.

The Internal Audit Department monitors and evaluates the efficiency and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies of the Company. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board.

10) **BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**
DIRECTORS:

- There has been no change in the directors of the company during the financial year.
- Mr. Mukesh Kumar (DIN: 06573251) retires by rotation and being eligible offers himself for re-appointment. Your directors recommend his re-appointment.
- Mr. Mukesh Kumar was re-appointed as the Managing Director of the Company on 31st July, 2024 for a further term of 5 years subject to the approval of the members of the Company. Your director recommends his re-appointment.

- The second tenure of Mr. Gaya Prasad Gupta and Mr. Anoop Srivastava, Independent Directors of the Company, expires in the ensuing Annual General Meeting. The Nomination and Remuneration Committee as well as the board of directors recommends the shareholders the name of Mr. Gyan Singh and Mr. Yugank Gadi to be appointed as the Non-Executive Independent Directors of the Company in this Annual General Meeting for their approval.

11) DECLARATION BY THE INDEPENDENT DIRECTORS OF THE COMPANY:

Your Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and under Regulation 16 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and there has been no change in the circumstances from last Financial Year which may affect their status as Independent Director during the year. As required under Regulation 36 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the particulars of the Directors proposed for appointment/re-appointment has been given in the Notice of the Annual General Meeting.

12) KEY MANAGERIAL PERSONNEL:

There has not been any change in Key Managerial Personnel(s) during the financial year 2023-24.

13) BOARD EVALUATION:

The Board of Directors has carried out an annual evaluation of its own performance, Board committees and individual directors pursuant to the provisions of the Companies Act, 2013 read with rules made thereunder and pursuant to the regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The performance of the Board was evaluated by the Board after seeking inputs from all the Directors on the basis of the criteria such as the Board composition and structure, effectiveness of Board processes, information and functioning, etc.

The performance of the committees was evaluated by the Board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc.

The Board and the Nomination and Remuneration Committee (“NRC”) reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

In a separate meeting of independent Directors, performance of non-independent directors, performance of the board as a whole and performance of the Chairman was evaluated, taking into account the views of executive directors and non-executive directors. The same was discussed in the board meeting that followed by the meeting of the independent Directors, at which the performance of the Board, its committees and individual directors was also discussed.

14) DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, state the following:

- a. that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b. that directors have selected such accounting policies and applied consistently and judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that period.
- c. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the Directors have prepared the annual accounts on a going concern basis;
- e. the Directors have laid down such internal financial controls that are adequate and operating effectively;
- f. The Directors have devised systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

15) AUDITORS & AUDITOR'S REPORT:

M/s Srivastava S & Co. Chartered Accountants (ICAI Firm Registration No. 015187C) were appointed as Statutory Auditors of the company for the period of five years on the terms mutually agreed by the parties. The said auditor conducted the audit of the Company for the financial year 2023-24.

The auditor's report for the financial year 2023-2024 does not contain any qualifications, reservations or adverse remarks and Notes to the financial statements referred in the Auditors Report are self-explanatory and therefore, do not call for any comments under Section 134 of the Companies Act, 2013.

16) SECRETARIAL AUDITOR'S REPORT:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the rules made thereunder, the Company had appointed M/s V. Agnihotri & Associates, Practising Company Secretaries, Kanpur to undertake the Secretarial Audit of the Company for the Financial Year 2023-24. The Secretarial Audit Report for financial year 2023-24 is annexed, which forms part of this report as Annexure-A.

17) RELATED PARTY TRANSACTIONS:

All related party transactions that were entered into during the financial year, if any were on arm's length basis and were in the ordinary course of the business. Further, there were no materially significant transactions entered with related party during the year by the Company. Since, there were no material contracts/arrangements made during the year, and all such contracts/arrangements were made in ordinary course of business and at arm's length basis and details of such transactions have been given in financial

statements of the Company and this fact has been mentioned in attached Annexure-B in **FORM AOC-2**.

Details of all such contracts/arrangements are available for inspection at the Registered Office of the Company till ensuing Annual General Meeting and if any, member is interested in inspecting the same, such member may write to the Company Secretary in advance.

18) CODE OF CONDUCT:

All the Members of the Board and all the employees of the Company have followed the policy of Code of Conduct in the course of day-to-day business operations of the Company. The Code has been placed on the Company's website www.cityonsystems.in.

The Code lays down the standard procedure of business conduct which is expected to be followed by the Directors and the designated employees in their business dealings and in particular on matters relating to integrity in the work place, in business practices and in dealing with stakeholders.

All the Board Members and the Senior Management personnel have confirmed compliance with the Code.

19) SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES:

There are no Subsidiaries, Joint Ventures or Associate Companies.

20) DISCLOSURES REGARDING COMMITTEES

Audit Committee

Stakeholders
Relationship
Committee

Nomination And
Remuneration
Committee

- **AUDIT COMMITTEE:**

The Audit Committee comprises of following Directors namely:

DIN	NAME OF DIRECTOR	CATEGORY	DESIGNATION
03106803	Kavita Awasthi	Independent Director	Chairman
00335302	Gaya Prasad Gupta	Independent Director	Member
06571462	Anoop Srivastava	Independent Director	Member
06573251	Mukesh Kumar	Executive Director	Member

The Audit Committee played an important role during the year. It coordinated with the Statutory Auditors, Internal Auditors and other key Managerial Personnel of the Company and has rendered guidance in the areas of internal audit and control, finance and accounts. All the recommendations made by the Audit Committee were accepted by the Board. Four meetings of the Audit Committee were held during the year which are as follows: 27/05/2023, 22/08/2023, 07/11/2023 and 01/02/2024. All the members were present in the all the meetings.

- **STAKEHOLDERS RELATIONSHIP COMMITTEE:**

The Committee comprises of the following directors namely

DIN	NAME OF DIRECTOR	CATEGORY	DESIGNATION
06571462	Anoop Srivastava	Independent Director	Chairman
00335302	Gaya Prasad Gupta	Independent Director	Member
03106803	Kavita Awasthi	Independent Director	Member

The Committee has met once during the year on 27/05/2023, the Committee overlook the usual requests received for Dematerialization, transfer/transmission of shares and resolved or answered the complaints of members.

- **NOMINATION AND REMUNERATION COMMITTEE:**

The Committee comprises of the following directors namely

DIN	NAME OF DIRECTOR	CATEGORY	DESIGNATION
00335302	Gaya Prasad Gupta	Independent Director	Chairman
03106803	Kavita Awasthi	Independent Director	Member
06571462	Anoop Srivastava	Independent Director	Member

The Nomination and Remuneration Committee recommends to the Board the suitability of candidates for appointment as Key Managerial Personnel, Directors and the remuneration packages payable to them and other employees. The Nomination and Remuneration met once during the year on 07/11/2023.

21) VIGIL MECHANISM / WHISTLE BLOWER POLICY:

The Company has established a Whistleblower Policy and Vigil Mechanism to provide a framework for responsible and secure reporting of concerns about unethical behavior, actual or suspected fraud, or violation of the Company's Code of Conduct. This policy aims to protect employees who report such concerns from unfair treatment and encourages them to raise issues without fear of reprisal. Key aspects of the policy include:

- Confidentiality of the whistleblower's identity
- Protection against victimization
- Direct access to the Chairperson of the Audit Committee in appropriate cases
- Proper investigation and resolution of reported concerns

The Company is committed to maintaining the highest standards of ethical, moral, and legal conduct, and this policy reinforces that commitment.

22) NUMBER OF MEETINGS OF THE BOARD:

Four meetings of the Board were held during the years which are as follows: **27/05/2023, 22/08/2023, 07/11/2023 and 01/02/2024**. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013. Details of Director's attendance and other particulars are given below:

Director	No. of Board Meeting held	No. of Board Meeting attended	Last AGM Attendance (Yes/No)	No. of Memberships in Boards of other public Co.'s
Mr. Mukesh Kumar Executive Director, Managing Director	4	4	No	0
Mr. Abhishek Tandon Non-Executive - Non Independent Director	4	4	No	0
Mr. Gaya Prasad Gupta Non-Executive - Independent Director	4	4	No	2
Mr. Anoop Srivastava Non-Executive - Independent Director	4	4	Yes	9
Mrs. Kavita Awasthi Non-Executive - Independent Director	4	4	Yes	4

23) PREVENTION OF INSIDER TRADING:

The Company has adopted a Code of conduct to Regulate, Monitor, and Report the Trading by Designated Persons of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company. The Board is responsible for implementation of the Code. All Board Directors and the designated employees have confirmed compliance with the Code.

24) BUSINESS RISK MANAGEMENT:

The main identified risks at the Company are business operating risks. Your Company has established a comprehensive business risk management policy to ensure the risk to the Company's continued existence as a going concern and to its development are identified and addressed on timely basis. Risk management strategy as approved by the Board of Directors is implemented by the Company Management.

25) CORPORATE SOCIAL RESPONSIBILITY STATEMENT:

Provisions relating to section 135 of the Companies Act 2013 of Corporate Social Responsibility are not applicable on the Company.

26) PARTICULARS PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT & REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

STATEMENT OF PARTICULARS OF EMPLOYEES PURSUANT TO THE PROVISIONS OF SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT & REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Details pursuant to Rule 5(1) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 are as stated as under:-

S. No.	Requirement of Rule 5(1)	Disclosure
1	The ratio of remuneration of each director to the median remuneration of the employees for the financial year.	Mukesh Kumar (MD): 1.12
2	Percentage increase in remuneration of each director, CFO, CEO, CS or Manager in the financial year.	Percentage increase in remuneration of: a) Directors:- N/A b) MD:- 50% c) CFO:- N/A d) CEO:- N/A e) Company Secretary:-N/A
3	The percentage increase/decrease in the median remuneration of employees in the financial year.	N/A
4	The number of permanent employees on the rolls of the Company	There were 3 employees on the rolls of the Company as on March 31, 2024.
5	Average percentile increase already made in the salaries of	N/A

	employees other than the managerial personnel in the last financial year i.e. 2022-2023 and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	
6	Affirmation that the remuneration is as per the remuneration policy of the Company	We affirm that the remuneration paid to employees and KMPs was based on the Remuneration Policy.

A) Details of every employee of the Company as required pursuant to Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:-

- Drawing salary of 1.02 Crore or above for the Year, if employed throughout the year- NIL
- Drawing salary of 8.5 Lakhs p/m or above for a month, if employed for part of the year- NIL
- Drawing salary more than the salary of MD and having 2% stake in the Company- NIL

B) No Managing Director or Whole-Time Director of the Company is receiving any commission from the Company as well as from the Holding Company or Subsidiary Company of the Company.

27) INDEPENDENT DIRECTORS MEETING:

The Independent Directors met on **22nd August, 2023**, without the attendance of Non-Independent Directors and members of the Management. The Independent Directors reviewed the performance of non-independent directors and the Board as a whole; the performance of the Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors and assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

28) ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

The information required under Section 134(3)(M) of the Companies Act, 2013 read with Rule 8(3) of The Companies (Accounts) Rules, 2014 is as under:-



CONSERVATION OF ENERGY



TECHNOLOGY ABSORPTION



FOREIGN EXCHANGE EARNINGS AND OUTGO

[A] CONSERVATION OF ENERGY

a) Energy Conservation Measures taken: The Company has taken all measures for conservation of energy most economically.

b) The steps taken by the Company for utilizing alternate source of energy:- No such steps have been taken by the Company.

c) The capital Investments on energy conservation equipment: - No such investment has been made by the Company

d) Impact of measures at (a) above for energy conservation: -These measures have led to consumption of energy more economically.

[B] TECHNOLOGY ABSORPTION

Since there is no manufacturing activity in the Company hence the information under this heading is not applicable to the Company.

[C] FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year, there were no Foreign Exchange earnings and outgo.

29) CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

Pursuant to the provisions of Regulation 15 (2) (b) which is stated hereunder:

“The compliance with the corporate governance provisions as specified in regulations 17, [17A,] 18, 19, 20, 21,22, 23, 24,[24A,] 25, 26, 27 and clauses (b) to (i) [and (t)] of sub-regulation (2) of regulation46 and para C , D and E of Schedule V shall not apply, in respect of –

(b) [a] listed entity which has listed its specified securities on the SME Exchange:

[Provided that for other listed entities which are not companies, but body corporate or are subject to regulations under other statues, the provisions of corporate governance provisions as specified in regulation 17, [17A,] 18, 19,

20, 21, 22, 23, 24, 59[24A,] 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C , D and E of Schedule V shall apply to the extent that it does not violate their respective statutes and guidelines or directives issued by the relevant authorities.]

Since our company is listed on Innovators Growth Platform (erstwhile ITP) of BSE SME Exchange. Therefore, the clauses of Corporate Governance is not applicable on us however we have complied the provisions of Corporate Governance as and when required for good corporate management practices.

30) DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:

There were no such order passed by the Regulations or Courts or Tribunals which may impact the going concern status and company's operations in future.

31) DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN:

There were no complaints received during the financial year 2023-24 and hence no complaint is outstanding as on 31.03.2024 for redressed. Further Company ensures that there is a healthy and safe atmosphere for every women employee at the workplace and made the necessary policies for safe and secure environment for women employee.

32) DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SUB- SECTION (12) OF SECTION 143, IF ANY:

There is no such reporting by the auditor.

33) MAINTENANCE OF COST RECORDS BY THE COMPANY:

The provision relating to maintenance of Cost Records by the Company is not applicable on the Company.

34) DETAILS OF APPLICATION MADE OR PROCEEDING PENDING UNDER INSOLVENCY AND BANKRUPTCY CODE 2016;

During the year under review, there were no applications made or proceedings pending in the name of the Company under the Insolvency and Bankruptcy Code, 2016.

35) DETAILS OF DIFFERENCE BETWEEN THE AMOUNTS OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH REASON THEREOF

During the year under review, there has been no one time settlement of Loans.

36) THE WEB ADDRESS, WHERE ANNUAL RETURN REFERRED TO IN SUB-SECTION (3) OF SECTION 92 HAS BEEN PLACED

The Annual Returns of the company for the previous financial years are available at <https://www.cityonsystems.in/general-4> for convenience of the shareholders.

37) KEY FINANCIAL RATIOS FOR THE F.Y 2023-2024 AS COMPARED TO F.Y 2022-2023

The Key Financial ratios for the financial year 2023-24 together with the the ration of 2022-23 are given below;

Ratios:	F.Y.23-24	F.Y. 22-23
(a) Current Ratio	2.19	2.25
(b) Debt- Equity Ratio	0.55	0.55
(c) Debt Service Coverage Ratio	N.A.	N.A.
(d) Return on equity ratio	-0.004	-0.005
(e) Inventory Turnover Ratio	-0.54	0.06
(f) Trade Receivables turnover Ratio	N.A.	N.A.
(g) Trade Payables turnover Ratio	N.A.	N.A.
(h) Net Capital Turnover Ratio	0.00	-0.010
(i) Net Profit ratio	-317842.98	-1102.80
(j) Return on Capital Employed	0.00	0.00
(k) Return on Investment	N.A.	N.A.

38) ACKNOWLEDGEMENTS:

Your directors take this opportunity to extend their thanks to the customers, business, partners, business associates and bankers of the Company for their continued support during the year. The directors also sincerely acknowledge the dedication and commitment of the employees of the company at all levels.

FOR CITYON SYSTEMS (INDIA) LIMITED

	Sd/-	Sd/-
Place: Delhi	(Mukesh Kumar)	(Gaya Prasad Gupta)
Date: 20.08.2024	Managing Director	Director
	DIN: 06573251	DIN: 0033530

ANNEXURE – A

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March 2024

[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,

CITYON SYSTEMS (INDIA) LIMITED

CIN: L72900DL2004PLC126096

215, Delhi Chambers, Delhi Gate,

New Delhi- 110002

We have conducted the Secretarial Audit of the compliance of applicable Statutory Provisions and the adherence to good corporate practices by **CITYON SYSTEMS (INDIA) LIMITED** (hereinafter called the Company) for the Period ended on 31.03.2024. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the **CITYON SYSTEMS (INDIA) LIMITED** (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 31st March 2024 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, minutes books, forms and returns filed and other records maintained by “the Company” for the financial year ended on 31st March 2024, to the extent applicable, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder,
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (**Not applicable during the year**);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’): -
 - (a) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
 - (c) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not applicable during the year);**

(e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not applicable during the year);**

(f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable during the year);**

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable during the year);**

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998. **(Not applicable during the year);**

(vi) Other Acts- As per the information provided by the company its officers and authorize representative there is no such other act /s applicable specifically 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 (as amended from time to time)

(ii) The Listing Agreements/ LODR entered into by the Company with BSE Limited, (ITP Platform)

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following reporting.

1. SEBI (Recovery and Refund Department) had issued a Notice of Demand against the Promoter of the Company, Mr. Sanjay Kumar pursuant to its Order /KS/VS/2019-2020/6967-6968 dated 27th February 2020. Penalty was imposed by Adjudicating officer vide Order dated 27th February 2020 of Rs. 2,00,000/- .In addition to that SEBI Recovery and Refund Department has also send a Notice of Attachment of Bank accounts and Demat accounts of the Promoter, Mr. Sanjay Kumar. It was stated by the management last year that the matter will be dealt in the financial year 2022-23, however as on date the matter is still pending for action.
2. As informed by the management, the Annual Listing Fee has not been paid by the Company for the financial year 2023-2024.

We further report that based on the information provided by the company, its officers and its authorized representatives during the conduct of the audit, and also on the report by respective department heads /Company Secretary/CFO, taken on record by the Board of Directors of the Company, in my opinion, adequate system and processes and control mechanism exist in the company to monitor and to ensure the compliance with applicable general laws to the extent applicable to it.

We further report, that the compliance by the company of the applicable financial laws, like direct and indirect tax laws, has not been reviewed in this audit since the same have been subject to review by statutory financial auditor and other designated professionals.

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/ KMP that took place during the period under review were carried out in compliance with the provisions of the Act. None of the directors were disqualified during the year. Mr. Abhishek Tandon who was liable to retire by rotation was duly re-appointed in the Annual General Meeting held on 21.09.2023.

M/s Srivastava S & Co. (FRN: 015187C) were appointed as statutory auditors of the company to fill the casual vacancy caused by the subsequent resignation of Rajani Mukesh & Associates resigned, for a period of five (5) years till the conclusion of the Annual General Meeting of the Company to be held in 2027-2028 and proper compliance in regard to the same was complied with.

The board met four (4) times during the year which took place on 27.05.2023, 22.08.2023, 07.11.2023, 01.02.2024. Further the Annual General Meeting of the Company took place on 21.09.2023. The Register of Members and the share transfer books were closed from 15.09.2023 to 21.09.2023 for the purpose of Annual General Meeting of the Company.

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. In addition to this, 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. Majority decisions are carried through while the dissenting members' views are captured and recorded as part of the minutes.

All the requisite disclosures were duly furnished in the respective outcomes filed with the BSE and all the events/information upon occurrence were disclosed to the Stock Exchange following the guidelines of materiality pursuant to the provisions of Regulation 30 read with Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We further report that the all the meetings of the Committees took place as per the Compliance of Secretarial standards -1 as issued by the Institute of Company Secretaries of India.

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.

This 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.

Date: 16/08/2024

Place: Kanpur

For V. Agnihotri & Associates

SD/-

(Prop: Vaibhav Agnihotri)

FCS No. 10363

C P No.: 21596

UDIN: F010363F000966285

Peer Review No: 2065/2022

“ANNEXURE – A” TO THE SECRETARIAL AUDIT REPORT

To,

The Members,

CITYON SYSTEMS (INDIA) LIMITED

CIN: L72900DL2004PLC126096

215, Delhi Chambers, Delhi Gate,

New Delhi- 110002

Our 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 process 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 process and practices we have 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. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations and standards is the responsibility of the management. Our examination was limited to the verification of procedures 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.

Date: 16/08/2024

Place: Kanpur

For V. Agnihotri & Associates

SD/-

(Prop: Vaibhav Agnihotri)

FCS No. 10363

C P No.: 21596

UDIN: F010363F000966285

Peer Review No: 2065/2022

CEO/CFO CERTIFICATION

(Pursuant to Regulation 17(8) of SEBI (LODR) Regulations, 2015)

In terms of **Regulation 17(8) of SEBI (LODR) Regulations, 2015**, the Managing Director and Chief Financial Officer of the Company has certified to the Board that:

- (a) We have reviewed the financial statements and the cash flow statement for the year ended March 31, 2024 and that to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading.
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- (b) We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) We hereby declare that all the members of the Board of Directors and Management Committee have confirmed compliance with the code of conduct as adopted by the Company.
- (d) We are responsible for establishing and maintaining internal controls and for evaluating the effectiveness of the same over the financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (e) We have indicated to the auditors and the audit committee that:
 - (i) there has not been any significant change in internal control over financial reporting during the year;
 - (ii) there has not been any significant changes in the accounting policies during the year requiring disclosure in the notes to the financial statements;

(iii) We are not aware of any instances during the year of significant fraud with involvement therein of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Cityon Systems (India) Limited

Date : 28.05.2024

Place: Delhi

Sd/-

Mukesh Kumar
Managing Director
DIN: 06573251

Sd/-

Ashok Kumar Sharma
Chief Financial Officer

ANNEXURE B

FORM NO. AOC -2

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

[Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014].

1. Details of contracts or arrangements or transactions not at arm's length basis: N.A.
 - a. Name (s) of the related party & nature of relationship-
 - b. Nature of contracts/arrangements/transactions-
 - c. Duration of the contracts/arrangements/transactions-
 - d. Salient terms of the contracts or arrangements or transaction including the value, if any-
 - e. Justification for entering into such contracts or arrangements or transactions-
 - f. Date(s) of approval by the Board-
 - g. Amount paid as advances, if any:
 - h. Date on which the special resolution was passed in General meeting as required under first proviso to Section 188-

2. Details of material contracts or arrangements or transactions at arm's length basis: see note given below*.N.A
 - a. Name (s) of the related party & nature of relationship-
 - b. Nature of contracts/arrangements/transactions-
 - c. Duration of the contracts/arrangements/transactions-
 - d. Salient terms of the contracts or arrangements or transactions including the value, if any-
 - e. Date(s) of approval by the Board, if any:
 - f. Amount paid as advances, if any:

*Note: all the contracts or arrangements or transactions were made in ordinary course of business and at arm's length basis during the financial year 2023-24.



- *Pursuant to Regulation 34(2) of SEBI (Listing Obligations and Disclosure Requirement) and Schedule V*

Management Discussion & Analysis

Economic Overview

During the financial year 2023-24 the economy showed a positive growth at the rate of 8.2% and steady increase in Sensex and Nifty of the Stock Market. It was a favourable year for the businesses operating in the Indian Market.

Financial Performance

2023-2024 was a challenging period for our company, as we faced numerous headwinds that impacted our financial performance. The results of our strenuous efforts to curb the loss, we recorded a drop in losses compared to the previous year amounting to **762,823.16**.

Business Strategy Analysis and Outlook

The company consistently conducts thorough reviews of its business strategy, aiming to forecast and attain the most fruitful results for the future. It proactively pursues diversification into new avenues whenever the need arises, with a strong expectation of future profitability.

Opportunities and Strengths

The Company is equipped with Well-designed controls streamline processes and operations. The Company is searching for new avenues. Your company continues to focus on the diversification its business activities. Although business opportunities are available, additional resources continues to be constraint for opting to opportunities.

Business Overview

The company has good recognition among its shareholders spread throughout country. The company has evolved new vision and focus to better serve the long term success of the Company. The company processing strategies to diversify its business activities in coming years. Your Company believes in long term

continued success rather than momentary windfall.

Risks and Concerns

The Capital market industry in which your Company is operating is subject to extensive regulation. The Company evaluates the risk posed to the your Company including but not limited to technological obsolescence, Market risk, Regulatory risk, Legal violations and the associated risk and makes investment accordingly

Internal Control Systems and Their Adequacy

The adequacy of internal controls is crucial for safeguarding assets, preventing fraud, and achieving business objectives. An adequate internal control system includes clear policies, segregation of duties, regular audits, and ongoing risk assessment.

The Company has satisfactory internal control system to ensure accuracy of accounting records, compliance with all laws & regulations and compliance with all rules, procedures & guidelines prescribed by the management.

Risk Management

The Board of Directors hereby affirms that the company has implemented and maintains an effective risk management system. Our risk management framework adheres to established industry standards and regulatory requirements. We have robust processes in place for identifying, assessing, mitigating, and monitoring risks across all areas of our operations. Regular reviews and audits are conducted to ensure the ongoing effectiveness of our risk management practices. The company's risk appetite and tolerance levels are clearly defined and aligned with our

strategic objectives. We are committed to fostering a culture of risk awareness throughout the organization and continuously improving our risk management capabilities to safeguard the interests of our stakeholders.

Identified risks are thoroughly evaluated based on their potential impact and likelihood. We use a standardized risk matrix to prioritize risks and allocate resources accordingly.



Cautionary Statement

The statements made in this report describe the company's objectives and projections that may be forward looking statement within the meaning of applicable laws and regulations. The actual result might differ materially from those expressed or implied depending on the economic conditions, government policies and other incidental factors which are beyond the control of the company. The company is not under any obligation to publicly amend, modify or revise any forward looking statements on the basis of any subsequent developments, information or events.

Human Capital

The company acknowledges that its achievements are intricately linked to the effectiveness of its human resources. To drive growth, the company has made substantial investments in both people and infrastructure. By fostering a supportive work environment, the company ensures equal opportunities for growth and challenges for all employees. It places great emphasis on cultivating business leaders by attracting top talent from the industry, providing them with opportunities, empowering them through delegated responsibilities, offering training, and nurturing their professional development.

INDEPENDENT AUDITOR’S REPORT

To

The Members of

Cityon Systems India Limited,

215, Delhi Chambers, Delhi Gate, Delhi.

Report on the Audit of the Financial Statements.

Opinion

We have audited the accompanying financial statements of CITYON SYSTEMS INDIA LIMITED, (“the Company”) which comprise the Balance Sheet as at 31st March 2024, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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 Companies Act, 2013 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 March 31, 2024, and its Loss, and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by The Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matters

The financial statements of the entity for the year ended March 31, 2023, were audited by another auditor who expressed an unmodified opinion on those statements. Accordingly, we have applied initial audit procedures to obtain sufficient audit evidences regarding opening balances and selection and consistent application of accounting policies as per SA 510. Based upon the knowledge gained through the procedures, we planned our risk assessment and determined the scope and coverage for the audit.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon. Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statement

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 and financial performance of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. 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.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the

Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020, issued by the Central Government of India in terms of section 143(11) of the Act, we give in the **Annexure A**, a statement on the matters specified in Para 3 and 4 of the said 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 and the Statement of Profit and Loss dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there are any material foreseeable losses.
 - iii. As explained, there has been no amount required to be transferred to the Investor Education and Protection Fund by the Company.
- g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**"
- h) On the basis of the written representations received from the directors as on 31st March, 2024;
- i) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the Accounts, no funds have been advanced or loaned or invested (either From borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity (ies), Including foreign entities ("intermediaries"), with the understanding, Whether recorded in writing or otherwise, that the intermediary shall, Whether, directly or indirectly lend or invest in other persons or Entities

identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries:

- ii) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity (ies), including foreign entities ("Funding Parties"),n with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provided any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- iii) Nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.
- iv) No dividend has been declared or paid during the year by the company.

For SRIVASTAVA S & CO.

Chartered Accountants

FRN: - 015187C

(CA Swadesh Chandra Srivastava)

Partner

Membership No. 073915

Place: Kanpur

Date: 28th May, 2024

UDIN:24073915BKDGWZ5304

“Annexure A” to the Independent Auditor’s Report to the members of Cityon Systems India Limited on its financial statements.

Report on the matters specified in paragraph 3 of the Companies (Auditor’s Report) Order, 2020 (“the Order”) issued by the Central Government of India in terms of section 143(11) of the Companies Act, 2013 (“the Act”) as referred to in paragraph 3 of ‘Report on Other Legal and Regulatory Requirements’ section.

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- i) (a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of property, plant and equipment and relevant details of right-of use assets.
(B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The property, plant and equipment and right-of use assets have been physically verified by the management according to the programmed of periodical verification in phased manner which, in our opinion, is reasonable having regard to the size of the company and the nature of its property, plant and equipment. The discrepancies, if any, noticed on such physical verification have been properly dealt with in the books of accounts.
- (c) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the title deed of immovable properties are held in the name of the company.
- (d) The Company has not revalued its property, plant and equipment (including right-of use assets) and intangible assets during the year.
- (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

- ii) (a) According to the information and explanation given to us, inventory has been physically verified at reasonable intervals by the management. In our opinion, procedure of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and nature of its business. Further, we have relied on the management for correct position of the inventory as per management representation letter.
- (b) According to the information and explanations given to us and based on our examinations of the records, in our opinion, the Company has not been sanctioned any working capital limits on the basis of security of current assets of the Company during the year. Accordingly, the provisions of clause 3(ii) (b) of the Order are not applicable to the company.
- iii) According to the information and explanations given to us and based on our examinations of the records, in our opinion, the Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties during the year.
- iv) According to the information and explanations given to us and based on our examinations of the records, in our opinion, the Company has not granted any loans or provided any guarantee or security to the parties covered under section 185 and 186 of the Companies Act 2013.
- v) According to the information and explanations given to us, in our opinion, the Company has not accepted any deposits from the public within the meaning of section 73, 74, 75 and 76 of the Act read with the Companies (Acceptance & Deposit) Rules 2014 and other relevant provisions of the Act, to the extent notified. Accordingly, the provisions of clause 3(v) of the said order are not applicable to the Company.
- vi) According to the information and explanations maintenance of cost records under section 148(1) of the Act, prescribed by the Central Government are not applicable to the company.
- vii) In respect of statutory dues:
 - a) According to the records of the company and information and explanations given to us, the Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, employees state insurance (ESI), Income-tax, Tax deducted at sources, Tax collected at source, Sales Tax, value added tax (VAT), Goods and

Service Tax (GST), Custom Duty, Excise Duty, Cess and any other statutory dues applicable to it, with the appropriate authorities.

- b) According to the information and explanations given to us, there are some outstanding statutory dues that have not been deposited on account of any dispute which are:

Nature of dues/Payments	Amount due (Rs in Lacs)	Period of which the amount relates	Forum where amount is pending
Income Tax	760.58	A.Y 2010-11	CIT appeals
Income Tax	452.37	A.Y 2011-12	CIT appeals
Income Tax	867.59	A.Y 2012-13	CIT appeals
Income Tax	297.79	A.Y 2013-14	CIT appeals
Income Tax	48.31	A.Y 2014-15	CIT appeals
Income Tax	23.16	A.Y 2015-16	CIT appeals
Income Tax	19.18	A.Y 2016-17	CIT appeals

- viii) According to the information and explanations given to us, Company has not or disclosed any transaction, previously unrecorded in the books of accounts, in the tax assessments under the Income Tax Act, 1961, as income during the year. Accordingly, the provisions of clause 3(viii) of the Order are not applicable to the company.
- ix) (a) According to the information and explanations given to us and as per the books and records examined by us, in our opinion, the Company has not availed fund based working capital facilities from any banks, financial institutions and lenders. Accordingly, the provisions of clause 3(ix)(a) of the Order are not applicable to the company.
- (b) According to the information and explanations given to us and the records of the Company examined by us including representation received from the management, the Company has not been declared willful defaulter by any bank, financial institution or other lenders or government or any government authority.
- (c) The Company has not availed any Term loans from any banks and financial institution during the year and the said loan was applied for the purpose for which it was obtained.

- (d) On overall examination of the financial statement of the Company, prima facie, funds raised on short term basis have not been used for long term purposes by the Company.
- (e) According to the information and explanations given to us and as per the books and records examined by us, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary company.
- f) According to the information and explanations given to us and procedures performed by us, the company has not raised loans during the year on the pledge of securities held in its subsidiary company.
- x) (a) According to the information and explanations given to us and as per the books and records examined by us, the company has not raised money by way of further public offer (including debt instruments). Accordingly, the provisions of paragraph 3(x) (a) of the Order are not applicable to the company.
- (b) According to the information and explanations given to us and as per the books and records examined by us, the company has not made any preferential allotment or private placement of shares or convertible debentures during the year. Accordingly, the provisions of paragraph 3(x) (b) of the Order are not applicable to the company.
- xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or any fraud on the Company has been noticed or reported during the year. Accordingly, the provisions of paragraph 3(xi) (a) and (b) of the Order are not applicable to the company.
- (b) According to the information & explanations and representation made by the management, no whistle- blower complaints have been received during the year (and up to the date of the report) by the company.
- xii) In our opinion, the Company is not a Nidhi Company. Accordingly, the provisions of

paragraph 3(xii) (a) to (c) of the Order are not applicable to the company.

- xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by applicable accounting standards.
- xiv) The Company has no internal audit system commensurate with the size and nature of its business.
- xv) In our opinion, and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him and hence the provisions of paragraph 3 (xv) of the Order is not applicable to the Company.
- xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the provision of paragraph 3 (xvi) (a) of the Order is not applicable to the Company.
(b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly provision of paragraph 3 (xvi) (d) of the Order is not applicable.
- xvii) In our opinion, and according to the information and explanations provided to us, The Company has not incurred cash losses in the current financial year and in the immediately preceding financial year.
- xviii) There has been no resignation of the statutory auditors during the year. Accordingly, provisions of paragraph (xviii) of the Order are not applicable to the Company.
- xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based

on our examination of the evidence supporting the assumptions, has come to our attention, which causes us to believe that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

- xx) In our opinion, and according to the information and explanations given to us, compliance of CSR is not applicable to the company.
- xxi) There has been no adverse auditor remark or any qualifications in other group companies. Accordingly, provision of paragraph 3 (xxi) of the Order is not applicable.

For SRIVASTAVA S AND CO.

Chartered Accountants

FRN: - 015187C

(CA Swadesh Chandra Srivastava)

Partner

Membership No. 073915

Place: Kanpur

Date: 28th May, 2024

UDIN: 24073915BKDGWZ5304

Annexure - 'B' to the Independent Auditor's Report

(The Annexure – 'B' referred to in our Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31st March, 2024)

Report on the Internal Financial Control under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Cityon Systems India Limited ("the Company") as of 31 March, 2024 in conjunction with our audit of the 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 based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). 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 the 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an

audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by ICAI. 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 with reference to financial statements 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 control system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 judgement, 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 with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial control with reference to financial statements 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 with reference to financial statements 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 an authorized 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 with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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 with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2024, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For SRIVASTAVA S AND CO.

Chartered Accountants

FRN: - 015187C

(CA Swadesh Chandra Srivastava)

Partner

Membership No. 073915

Place: Kanpur

Date: 28th May, 2024

UDIN: 24073915BKDGWZ5304

CITYON SYSTEMS (INDIA) LIMITED
215, DELHI CHAMBERS, DELHI GATE, DELHI-110 002
CIN : L72900DL2004PLC126096
BALANCE SHEET AS AT 31.03.2024

(In Rs.)

Balance Sheet as at	Note	31.03.2024	31.03.2023
I. EQUITY AND LIABILITIES			
1. Shareholders' funds			
(a) Share capital	2.1	17,12,63,600.00	17,12,63,600.00
(b) Reserves and surplus	2.2	2,42,05,347.07	2,49,68,170.23
		19,54,68,947.07	19,62,31,770.23
2. Non-current liabilities			
(a) Long-term borrowings	2.3	10,67,75,868.00	10,71,25,868.00
(b) Deferred tax liabilities (Net)	2.4	-	40,626.57
(c) Other Non Current Liabilities	2.5	7,58,877.00	7,58,877.00
		10,75,34,745.00	10,79,25,371.57
3. Current liabilities			
(a) Trade payables	2.6		
(A) total outstanding dues of micro enterprises and small enterprises.			
(B) total outstanding dues of creditors other than micro enterprises and small enterprises.		72,41,302.00	72,38,942.00
(b) Other Current Liabilities	2.7	10,360.00	-
(c) Short-term provisions	2.8	25,000.00	25,000.00
		72,76,662.00	72,63,942.00
TOTAL		31,02,80,354.07	31,14,21,083.80
II. ASSETS			
(1) Non Current Assets			
(a) Property, Plant and equipment	2.9	26,206.64	26,206.64
(b) Non-current investments	3.0	5,67,71,122.00	5,67,71,122.00
(c) Deferred tax assets (net)		4,949.27	-
(d) Long-term loans and advances	3.1	22,20,41,058.00	22,28,16,058.00
(e) Other non-current assets	3.2	1,55,04,158.66	1,54,98,018.66
		29,43,47,494.57	29,51,11,405.30
(2) Current assets			
(a) Current investments		-	-
(b) Inventories	3.3	9,24,000.00	5,30,838.00
(c) Trade receivables	3.4	1,05,79,323.80	1,05,64,573.80
(d) Cash and cash equivalents	3.5	12,37,248.70	21,10,577.70
(e) Short Term Loans & Advances	3.6	30,95,312.00	30,24,529.00
(d) Other current assets	3.7	96,975.00	79,160.00
		1,59,32,859.50	1,63,09,678.50
TOTAL		31,02,80,354.07	31,14,21,083.80

Note: Previous year figures have been regrouped / rearranged, wherever necessary.

Summary of Significant Accounting Policies and other explanatory information. 1

The notes on accounts form an integral part of the financial statements.

For Srivastava S & Co.,
Chartered Accountants,
FRN : 015187C

For CITYON SYSTEMS (INDIA)LIMITED

Mukesh Kumar
(Managing Director)
(DIN : 06573251)

Gaya Prasad Gupta
(Director)
(DIN : 00335302)

[CA SWADESH CHANDRA SRIVASTAVA
(Proprietor)
M. NO. : 073915

Date: 28.05.2024
UDIN: 24073915BKDGWZ5304

Ashok K. Sharma
(C.F.O.)

Radhika Jhunjhunwala
(Company Secretary)

CITYON SYSTEMS (INDIA) LTD.
215, DELHI CHAMBERS, DELHI GATE, DELHI-110 002
CIN : L72900DL2004PLC126096
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2024

(In Rs.)

Statement of Profit and Loss for the	Note	31.03.2024	31.03.2023
Revenue from operations	3.8	-	25,868.71
Other income	3.9	240.00	57,277.80
Total Revenue		240.00	83,146.51
Expenses			
Purchases of Stock-in-Trade	4	-	25,892.96
(Increase)/Decrease in inventories of finished goods	4.1	(3,93,162.00)	(2,80,698.00)
work-in-progress and Stock-in-Trade			
Employee benefits expense	4.2	1,50,000.00	3,00,000.00
Finance costs	4.3	5,309.00	1,050.00
Depreciation and amortization expense	4.4	-	-
Other expenses	4.5	10,46,492.00	9,51,399.00
Total expenses		8,08,639.00	9,97,643.96
Profit before prior period items and tax		(8,08,399.00)	(9,14,497.45)
Prior Period Items	4.6	-	-
Profit before tax		(8,08,399.00)	(9,14,497.45)
Tax expense:	4.7		
Current tax		-	-
Deferred tax		(45,575.84)	2,442.00
Profit (Loss) for the period from continuing operations		(7,62,823.16)	(9,16,939.45)
Tax expense of discontinuing operations		-	-
Profit/(loss) from Discontinuing operations (after tax)		-	-
Profit (Loss) for the period		(7,62,823.16)	(9,16,939.45)
Earnings per equity share:	4.8		
Basic		(0.04)	(0.05)
Diluted		(0.04)	(0.05)

In terms of our attached report of even date

For Srivastava S & Co.,
Chartered Accountants,
FRN : 015187C

For CITYON SYSTEMS (INDIA)LIMITED

Mukesh Kumar
(Managing Director)
(DIN : 06573251)

Gaya Prasad Gupta
(Director)
(DIN : 00335302)

CA SWADESH CHANDRA SRIVASTAVA
(Partner)
M. NO. : 073915

Ashok K. Sharma
(C.F.O.)

Radhika Jhunjhunwala
(Company Secretary)

Date: 28.05.2024

CITYON SYSTEMS (INDIA) LTD.
215, DELHI CHAMBERS, DELHI GATE, DELHI-110 002
CIN : L72900DL2004PLC126096

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March, 2024

	For the year Ended 31, March 2024 Amount (Rs.)	For the year Ended 31, March 2023 Amount (Rs.)
Cash flows from operating activities		
Net Profit as per Profit & Loss A/c	(8,08,399.00)	(9,14,497.45)
Adjustments for :		
Depreciation	-	-
Other Adjustments	-	-
Prior Period Income Tax Exp	-	-
Operation profit before working capital changes	(8,08,399.00)	(9,14,497.45)
Change in Current Assets:-		
Decrease (Increase) in Trade & Other Receivables	(14,750.00)	72,072.75
Decrease (Increase) in Inventory	(3,93,162.00)	(2,80,698.00)
Decrease (Increase) in Loans & Advances	(70,783.00)	-
Decrease (Increase) in Other Assets	-	-
Change in Current Liabilities:-		
Increase (Decrease) in Trade Payable	2,360.00	(3,98,000.00)
Increase (Decrease) in Other Cur. Liabilities	10,360.00	-
Increase (Decrease) in provisions	-	(25,000.00)
(Increase) Decrease in Other Cur. Assets	(17,815.00)	68,350.00
NET CASH FROM OPERATING ACTIVITES	(12,92,189.00)	(14,77,772.70)
Cash flows from investing activities		
(Purchase) / Sale of Investment	-	-
Purchase of fixed Assets	-	-
Sale of fixed Assets	-	-
NET CASH FROM INVESTING ACTIVITES	-	-
Cash flows from Financing activities		
Increase / (Repayment) of Secured/unsecured loans	(3,50,000.00)	(24,75,000.00)
Proceed from Loans & Advances	7,75,000.00	56,01,700.00
(Increase) / Repayment of Non Current Assets	(6,140.00)	(83,080.00)
Preliminary Expenses incurred	-	-
Increase from issue of Fresh capital	-	-
NET CASH FROM FINANCING ACTIVITES	4,18,860.00	30,43,620.00
Net increase(Decrease) in cash and cash equivalents	(8,73,329.00)	15,65,847.30
Cash and Cash equivalents beginning of year	21,10,577.70	5,44,730.40
Cash and Cash equivalents at end of year	12,37,248.70	21,10,577.70

Notes:1

Figures in brackets indicate cash outflow

Notes:2

This is the cash flow statement referred to in our report of even date prepared under the indirect method set out in AS-3 issued by the Institute of Chartered Accountants of India.

In terms of our attached report of even date

For CITYON SYSTEMS (INDIA) LIMITED

**For Srivastava S & Co.,
Chartered Accountants,
FRN : 015187C**

**Mukesh Kumar
(Managing Director)
(DIN : 06573251)**

**Gaya Prasad Gupta
(Director)
(DIN : 00335302)**

**CA SWADESH CHANDRA SRIVASTAVA
(Proprietor)
M. NO. : 073915**

**Date: 28.05.2024
UDIN: 24073915BKDGWZ5304**

**Ashok K. Sharma
(C.F.O.)**

**Radhika Jhunjunwala
(Company Secretary)**

NOTES ON ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2024		
2.1 Share Capital		
		In Rs
Particular	31.3.2024	31.03.2023
Authorised		
24000000 (24000000) Equity Shares of ` 10/- Par Value	24,00,00,000.00	24,00,00,000.00
	24,00,00,000.00	24,00,00,000.00
Issued		
17126360 (17126360) Equity Shares of ` 10/- Par Value	17,12,63,600.00	17,12,63,600.00
	17,12,63,600.00	17,12,63,600.00
Subscribed		
17126360 (17126360) Equity Shares of ` 10/- Par Value	17,12,63,600.00	17,12,63,600.00
	17,12,63,600.00	17,12,63,600.00
Paid-up		
17126360 Equity Shares of ` 10/- Par Value Fully Paid-up	17,12,63,600.00	17,12,63,600.00
	17,12,63,600.00	17,12,63,600.00

Holding More Than 5%				
Particular	31.03.2024	% Held	31.03.2023	% Held
ANKUR AGARWAL	29,50,788.00	17.23	29,50,788.00	17.23
MUKESH KUMAR	26,87,332.00	15.69	26,87,332.00	15.69
CITYON NANO TECHNOLOGY P. LTD.	11,54,000.00	6.74	11,54,000.00	6.74
NIRBHARANT MANAGEMENT CONS. P. LTD.	9,94,200.00	5.81	9,94,200.00	5.81

Details of Equity Shares held by Promoters in the company are as under:-				
S.No	Name	No. of Shares	% of total shares	% Change during the year
1	ANKUR AGARWAL	29,50,788	17.23	-
2	MUKASH KUMAR	26,87,332	15.69	-
3	OM PARKASH JAISWAL	2,00,400	1.17	-
4	SANDEEP JINDAL	2,00,400	1.17	-
5	SANJAY KUMAR	1,75,400	1.02	-
6	PRANAV SARIN	64,240	0.38	-
7	ASHOK KUMAR SHARMA	2,800	0.02	-
	Total	62,81,360	36.68	-

2.2 Reserve and Surplus		
Particular	31.03.2024	31.03.2023
Capital Reserve – Opening	1,00,00,000.00	1,00,00,000.00
Addition	-	-
Deduction	-	-
	1,00,00,000.00	1,00,00,000.00
Securities Premium Opening	1,88,55,440.00	1,88,55,440.00
	1,88,55,440.00	1,88,55,440.00
Profit and Loss Opening	(38,87,269.77)	(29,70,330.32)
Amount Transferred From Statement of P&L	(7,62,823.16)	(9,16,939.45)
Appropriation and Allocation		
INTEREST ON TDS	-	-
Others	-	-
	(46,50,092.93)	(38,87,269.77)
	2,42,05,347.07	2,49,68,170.23

2.3 Long Term Borrowings		
Particular	31.03.2024	31.03.2023
Others		
Unsecured		
BIG BROKER HOUSE STOCKS LTD.	3,20,881.00	3,20,881.00
CITYON SOLAR LTD.	1,62,28,342.00	1,62,28,342.00
NIKKI GLOBAL FINANCE LTD.	1,51,000.00	1,51,000.00
AUTEM CONSULTANCY SERVICES LIMITED	1,95,00,000.00	1,95,00,000.00
RICH UDYOG NETWORK LTD.	4,64,83,202.00	4,68,33,202.00
KPK FINANCE CONSULTANCY PVT. LTD	39,20,000.00	39,20,000.00
OTHER LONG TERM BORROWINGS	2,01,72,443.00	2,01,72,443.00
	10,67,75,868.00	10,71,25,868.00

2.4 Deferred Taxes		
Particular	31.03.2024	31.03.2023
Deferred Tax Liabilities	-	40,626.57
Deffered Tax Assets	4,949.27	-
	4,949.27	40,626.57

2.5 Other Non Current Liability		
Particular	31.03.2024	31.03.2023
LISTING FEES PAYABLE	7,58,877.00	7,58,877.00
	7,58,877.00	7,58,877.00

2.6 Trade Payables		
Particular	31.03.2024	31.03.2023
Dues Other Than MSME:		
Creditors Due others		
CITYON NANO TECHNOLOGY PVT. LTD.	69,55,719.00	69,55,719.00
SKYLINE FINANCIAL SERVICES PVT. LTD.	2,85,583.00	2,83,223.00
	72,41,302.00	72,38,942.00

2.7 Other Current Liabilities		
Particular	31.03.2024	31.03.2023
Others		
CERTIFICATION FEES PAYABLE	4,360.00	-
SALARY PAYABLE	6,000.00	-
	10,360.00	-

2.8 Short Term Provisions		
Particular	31.03.2024	31.03.2023
Others		
AUDIT FEES PAYABLE	25,000.00	25,000.00
	25,000.00	25,000.00

3.0 Non-current investments		
Particular	31.03.2024	31.03.2023
Investments in Equity Instruments*		
BANSAL SUPP P LTD.	2,25,000.00	2,25,000.00
BIG BROKERS HOUSE STOCKS LTD.	20,00,000.00	20,00,000.00
CITYON INFRASTRUCTURE	17,95,500.00	17,95,500.00
CITYON NANO	15,00,000.00	15,00,000.00
DEV BHOOMI PROMOTERS & DEVELOPERS P.LTD.	10,00,000.00	10,00,000.00
GOLD COINS	2,32,622.00	2,32,622.00
KUNDAN CASTING P.LTD.	1,00,00,000.00	1,00,00,000.00
NEW E WORLD SERVICES LTD,	6,00,000.00	6,00,000.00
NIRBHARANT MANAGEMENT	1,09,68,000.00	1,09,68,000.00
PRISM HOUSING PVT. LTD.	94,50,000.00	94,50,000.00
AUTEM CONSULTANCY SERVICES LIMITED	20,00,000.00	20,00,000.00
RICH UDYOG NETWORK LTD.	20,00,000.00	20,00,000.00
SIGMA CASTING LTD.	1,50,00,000.00	1,50,00,000.00
	5,67,71,122.00	5,67,71,122.00

3.1 Long-term loans and advances		
Particular	31.03.2024	31.03.2023
Loans and advances to others		
Unsecured considered good		
APHELEIA POWER PROJECTS LIMITED	45,000.00	45,000.00
ABHIGYAN PRAKASH	2,00,000.00	2,00,000.00
AXIS EDUCATIONAL SOCIETY	1,90,00,000.00	1,90,00,000.00
BISHAN LAL SHIVHARE	20,00,000.00	20,00,000.00
DAUJEE ABHUSHAN BHANDAR PVT. LTD.	1,29,00,000.00	1,29,00,000.00
DELUX PETRO CHEM IN	2,00,000.00	2,00,000.00
DEV BHOOMI PROMOTERS & DEVELOPERS PVT.LTD	50,00,000.00	50,00,000.00
HD STEELS	5,00,000.00	5,00,000.00
HOME LINKERS PVT. LTD.	1,25,00,000.00	1,25,00,000.00
HORIZON PORTFOLIO LTD.	13,00,000.00	13,00,000.00
KAMIA MULHOTRA	50,00,000.00	50,00,000.00
KAVITA AGARWAL	20,00,000.00	20,00,000.00
MANI SONI	30,00,000.00	30,00,000.00
MI BUILDERS LTD.	65,00,000.00	65,00,000.00
MONAL INFRATECH	57,20,000.00	57,20,000.00
NEELAM MISHRA	20,00,000.00	20,00,000.00
NIRBHARANT AGARWAL	8,76,480.00	8,76,480.00
PANKAJ PURI	3,00,000.00	3,00,000.00
PARMARTH IRON PVT. LTD.	50,00,000.00	50,00,000.00
QADIRYA & ASSOCIATES P.LTD.	1,00,00,000.00	1,00,00,000.00
RAC TECHNOLOGIES	10,00,000.00	10,00,000.00
RAHUL MEHTA	2,00,000.00	2,00,000.00
RAJ KAPOOR	10,00,000.00	10,00,000.00
REWA CHEMICALS PVT. LTD.	35,26,750.00	35,26,750.00
RICH UNIVERSE NETWORK LTD	6,51,87,405.00	6,52,27,405.00
SAFARI CHEMICALS PVT. LTD.	35,00,000.00	35,00,000.00
SARITA JAIN	20,00,000.00	20,00,000.00
SAURAV MISIRA ENTERPRISES PVT LTD	5,60,000.00	8,65,000.00
SHIVA SHEESHAM MARKETING P LTD.	70,00,000.00	70,00,000.00
SHREYA STOCK & SHARES BROKING PVT. LTD.	2,75,000.00	2,75,000.00
SMN ASHWINI	20,00,000.00	20,00,000.00
SMN KISHORE BABU	10,00,000.00	10,00,000.00
VISHAL MALHOTRA	8,00,000.00	8,00,000.00
VISHWADOOT EDUCATIONAL TRUST	80,00,000.00	80,00,000.00
ZENO TRADERS AND SERVICES LIMITED	2,04,73,000.00	2,04,73,000.00
SHREE MAHALAXMI COMMODITY	87,00,000.00	87,00,000.00
REWA REFINERY PVT. LTD.	10,00,000.00	10,00,000.00
STRAIT CHEM (FZE)	8,30,193.00	8,30,193.00
JAY INDUSTRIES	1,27,230.00	1,27,230.00
BASOS INFRA GLOBE LIMITED	8,20,000.00	12,50,000.00
	22,20,41,058.00	22,28,16,058.00
*As per management representation letter		

3.2 Other non-current assets		
Particular	31.03.2024	31.03.2023
Trade Receivable		
Unsecured Considered Good		
Others		
EARNEST MONEY	4,25,033.00	4,25,033.00
TDS A.Y. 2017-18	46,904.00	46,904.00
TDS A.Y. 2018-19	77,189.80	77,189.80
TDS A.Y. 2019-20	54,588.00	54,588.00
VAT	72,048.00	72,048.00
ADVANCE FOR SHOPMETRO	1,00,000.00	1,00,000.00
SECURITY DEPOSIT ADJUSTABLE (RENT A/C)	8,65,555.00	8,65,555.00
SECURITY DEPOSIT FIXED (RENT A/C)	8,55,000.00	8,55,000.00
GOODS RECEIVED UNDER SETTLEMENT	1,22,53,300.00	1,22,53,300.00
TAX ON REGULAR ASSESSMENT A.Y. 2010-11 (UNDER PROTEST)	89,220.00	83,080.00
TAX ON REGULAR ASSESSMENT A.Y. 2011-12 (UNDER PROTEST)	6,65,320.86	6,65,320.86
	1,55,04,158.66	1,54,98,018.66

3.3 Inventories		
Particular	31.03.2024	31.03.2023
Others		
Other	9,24,000.00	5,30,838.00
	9,24,000.00	5,30,838.00

3.4 Trade receivables		
Particular	31.03.2024	31.03.2023
Trade Receivables		
Unsecured considered good		
CORPORATE PROFESSIONAL (INDIA) PVT LIMITED	14,750.00	-
BANSAL SUPPLIERS PVT LIMITED	93,00,483.80	93,00,483.80
NIRBHARANT MANAGEMENT CONSULTANTS PVT. LTD	12,44,090.00	12,44,090.00
PRAKASH YADAV	20,000.00	20,000.00
	1,05,79,323.80	1,05,64,573.80

3.5 Cash and cash equivalents		
Particular	31.03.2024	31.03.2023
Cash in Hand	11,88,839.20	19,87,574.20
Balances With Banks		
Balance With Scheduled Banks		
Current Account		
CANARA BANK A/C	48,409.50	1,23,003.50
	12,37,248.70	21,10,577.70

3.6 Current Assets(Short Term Loans & Advances)		
Particulars	31.03.2024	31.03.2023
Other Advances		
NATIONAL DEPOSITORY SERVICES LIMITED	14,529.00	24,529.00
PRANAV SARIN	80,783.00	-
SUDHIR AGARWAL (HUF)	30,00,000.00	30,00,000.00
	30,95,312.00	30,24,529.00

3.7 Current Assets(Other Current Assets)		
Particulars	31.03.2024	31.03.2023
Other Current Assets		
INPUT SGST	14,040.00	11,880.00
INPUT CGST	14,040.00	11,880.00
INPUT IGST	23,895.00	4,500.00
TDS A.Y. 2023-24	-	5,900.00
TDS A.Y. 2020-21	45,000.00	45,000.00
	96,975.00	79,160.00

3.8 Revenue from operations

Particular	31.03.2024	31.03.2023
Sale of Products		
Traded Goods		
SALES OF SHARES	-	25,868.71
	-	25,868.71

3.9 Other income

Particular	31.03.2024	31.03.2023
Interest		
INTEREST RECEIVED	-	-
INTEREST ON INCOME TAX REFUND	240.00	4,330.00
Miscellaneous		
MISCELLANEOUS BALANCES WRITTEN OFF	-	53,300.00
DAILY OPTION PREMIUM BILL	-	(352.20)
	240.00	57,277.80

4.0 Purchases of Stock-in-Trade

Particular	31.03.2024	31.03.2023
Stock in Trade		
PURCHASE SHARE	-	25,892.96
	-	25,892.96

4.1 Changes in inventories of finished goods, work-in-progress and Stock-in-Trade

Particular	31.03.2024	31.03.2023
Opening		
SHARES	5,30,838.00	2,50,140.00
	5,30,838.00	2,50,140.00
Closing		
SHARES	9,24,000.00	5,30,838.00
	9,24,000.00	5,30,838.00
Increase/Decrease		
SHARES	(3,93,162.00)	(2,80,698.00)
	(3,93,162.00)	(2,80,698.00)

Details of Increase/Decrease in Inventory

Particular	31.03.2024	31.03.2023
Other		
INCREASE / DECREASE IN CLOSING STOCK	(3,93,162.00)	(2,80,698.00)
	(3,93,162.00)	(2,80,698.00)

4.1 Employee benefits expense		
Particular	31.03.2024	31.03.2023
Salary Wages & Bonus		
SALARY	1,50,000.00	3,00,000.00
	1,50,000.00	3,00,000.00

4.2 Finance costs		
Particular	31.03.2024	31.03.2023
Bank Charges		
BANK CHARGES	5,309.00	1,050.00
	5,309.00	1,050.00

4.3 Depreciation and amortisation expense		
Particular	31.03.2024	31.03.2023
Depreciation & Amortisation		
Depreciation Tangible Assets		
DEPRICIATION	-	-
	-	-

4.4 Other expenses		
Particular	31.03.2024	31.03.2023
Administrative and General Expenses		
Auditors Remuneration		
AUDIT FEE	25,000.00	25,000.00
CERTIFICATION FEES	4,000.00	
Other Expenses		
CONVEYANCE	2,155.00	1,987.00
AGM EXPENSES	4,500.00	-
DEPOSITARY SERVICE CHARGES	1,00,000.00	1,06,200.00
DIRECTOR'S REMUNERATION	8,16,000.00	7,36,000.00
PROFESSIONAL AND CONSULTANCY CHARGES	29,000.00	
ELECTRIC EXP.	15,862.00	16,986.00
OFFICE EXPENSES	7,767.00	1,273.00
POSTAGE & TELEGRAM	918.00	1,006.00
PRINTING & STATIONARY	770.00	1,760.00
REPAIR & MAINTENANCE	-	1,475.00
SHARE TRANSFER AND REGISTRATION EXPENSES	2,000.00	-
ROC EXPENSES	4,800.00	4,200.00
RENT	24,000.00	24,000.00
SOFTWARE EXP.	3,750.00	25,000.00
TELEPHONE EXP.	5,970.00	6,512.00
	10,46,492.00	9,51,399.00

4.5 Prior Period items		
Particular	31.03.2024	31.03.2023
Prior Period Income	-	-
	-	-

4.6 Tax expense		
Particular	31.03.2024	31.03.2023
Current tax		
PROVISION FOR CURRENT TAX	-	-
	-	-

4.7 Earnings per equity share		
Particular	31.03.2024	31.03.2023
Earnings Per Equity Share		
Basic		
Basic EPS Before Extra Ordinary Item	(0.04)	(0.05)
Diluted		
Diluted EPS Before Extra Ordinary Item	(0.04)	(0.05)
Number of Shares used in computing EPS		
Basic	1,71,26,360.00	1,71,26,360.00
Diluted	1,71,26,360.00	1,71,26,360.00
Weighted Average Number of shares		
Number of Shares for basic EPS calculation		
Number of shares for dilutive calculation	1,71,26,360.00	1,71,26,360.00

4.8- Salary to Directors & KMP		
Particulars	31.03.2024	31.03.2023
Ashok Kumar Sharma,CFO	3,60,000.00	3,60,000.00
Mukesh Kumar, MD	2,40,000.00	1,60,000.00
Radhika Jhunjunwala, CS	2,16,000.00	2,16,000.00
	8,16,000.00	7,36,000.00

4.9. Title deeds of Immovable Property not held in name of the company: This clause is not applicable to the company.

5.0. There is no Capital-work-in progress in the company.

5.1. Intangible assets under development: This clause is not applicable to the company.

5.2. Details of Benami Property held: No proceedings have been initiated or pending against the company for holding any Benami Property under the Benami Transactions (Prohibition) Act, 1988 and the rules made there under.

5.3. Wilful defaulter: This clause is not applicable to the company.

5.4. Relationship with Struck off Companies: The Company does not have any transactions with companies Struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

5.5. Registration of charges or satisfaction with Registrar of Companies: There are no such charges applicable to the Company.

5.6. Compliance with number of layers of companies: There are no violations by the Company in respect of number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

5.7. Compliance with approved Scheme(s) of Arrangements: This clause is not applicable to the company.

CITYON SYSTEMS (INDIA) LIMITED
215, DELHI CHAMBERS, DELHI GATE, DELHI-110 002
DEPRECIATION CHART FY 2023-2024

2.9 Tangible assets

Block of Assets / Asset Group	Rate	Gross Block				Depreciation					Net Block	
		1.4.2023	Additions	Sale/Adj.	31.3.24	01-04-2023	For the Year	Sale/Adj.	Residual Value Adjustment	31-03-2024	31-03-2024	31-03-2023
		Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
COMPUTERS AND DATA PROCESSING UNITS												
COMPUTER	-	3,65,834.00	-	-	3,65,834.00	3,63,503.00	-	-	-	3,63,503.00	2,331.00	2,331.00
Total (Block)		3,65,834.00	-	-	3,65,834.00	3,63,503.00	-	-	-	3,63,503.00	2,331.00	2,331.00
OFFICE EQUIPMENT												
AIR CONDITIONER	-	1,02,513.00	-	-	1,02,513.00	97,388.00	-	-	-	97,388.00	5,125.00	5,125.00
OFFICE EQUIPMENT	-	2,71,817.00	-	-	2,71,817.00	2,59,925.00	-	-	-	2,59,925.00	11,892.00	11,892.00
Total (Block)		3,74,330.00	-	-	3,74,330.00	3,57,313.00	-	-	-	3,57,313.00	17,017.00	17,017.00
PLANT AND MACHINERY												
INVERTOR	76.41%	58,603.00	-	-	58,603.00	55,671.87	-	-	-	55,671.87	2,931.13	2,931.13
	32.01%	27,300.00	-	-	27,300.00	24,347.49	-	-	-	24,347.49	2,952.51	2,952.51
Total (Asset Group)		85,903.00	-	-	85,903.00	80,019.36	-	-	-	80,019.36	5,883.64	5,883.64
REFRIGERATOR	76.43%	19,500.00	-	-	19,500.00	18,525.00	-	-	-	18,525.00	975.00	975.00
Total (Asset Group)		19,500.00	-	-	19,500.00	18,525.00	-	-	-	18,525.00	975.00	975.00
Total (Block)		1,05,403.00	-	-	1,05,403.00	98,544.36	-	-	-	98,544.36	6,858.64	6,858.64
Grand Total		8,45,567.00	-	-	8,45,567.00	8,19,360.36	-	-	-	8,19,360.36	26,206.64	26,206.64
Previous Year		8,45,567.00	-	-	8,45,567.00	8,17,316.01	-	-	-	8,17,316.01	26,206.55	26,206.55

CITYON SYSTEMS (INDIA) LIMITED
ASSESSMENT YEAR : 2024-25
FINANCIAL YEAR : 2023-24

Statement of Depreciation Allowable under Income Tax Act, 1961

Asset	Rate of Depreciation	Additional Depreciation	WDV As At 01.04.2023	Additions		Sales During the Year	Deduction Sale during the year	Total As At 31.03.2024	Depreciation		WDV As At 31.03.2024
				For 180 days of more	For less than 180 days				Normal	Additional	
Computer	40%	0%	4.20	-	-	-	-	4.20	2.00	-	2.20
Plant & Machinery	15%	0%	53,223.00	-	-	-	-	53,223.00	7,983.00	-	45,240.00
Total Rupees			53,227.20	-	-	-	-	53,227.20	7,985.00	-	45,242.20

Trade Receivables ageing Schedule:						
Particulars	Outstanding for Following periods from due date of payment					Total
	Less Than 6 months	6 months-1 year	1-2 Years	2-3 Years	More Than 3 Years	
(i) Undisputed Trade Receivables- Considered good	14,750.00	-	-	12,44,090.00	93,20,483.80	1,05,79,323.80
(ii) Undisputed Trade Receivables- Considered doubtful	-	-	-	-	-	-
(iv) Disputed Trade Receivables- Considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables- Considered doubtful	-	-	-	-	-	-
Trade Payables ageing Schedule:						
Particulars	Outstanding for Following periods from due date of payment					Total
	Less Than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	Total	
(i) MSME	-	-	-	-	-	-
(ii) Others	-	-		2,74,13,745.00	2,74,13,745.00	
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-

About the Company:

Cityon Systems (India) Limited is a listed company incorporated on 27/04/2004 with ROC Delhi and listed with the Bombay Stock Exchange (BSE) SME -ITP (L72900DL2004PLC126096).

Significant Accounting Policies to the accounts

A) Basis of Presentation

The financial statements have been prepared on a going concern basis under the historical cost convention, on the actual basis of accounting, in conformity with accounting principles generally accepted in India (“Indian GAAP”)

B) Use of Estimates

In preparing the company’s financial statements in conformity with accounting principles generally accepted in India, the Company’s management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. The reported results could differ from those estimates.

C) Revenue recognition

Revenue is recognized to the extent it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue from sale of goods is recognized when the significant risks and rewards of ownership of the goods are transferred to the customers.

D) Property, Plant & equipment

Property, plant & equipment are stated at cost, Less Accumulated Depreciation, all costs, including financial costs till assets put to use are capitalized.

F) Depreciation

Depreciation on fixed assets is provided for over the useful life of the Assets specified in Schedule II of the Companies Act, 2013. Depreciation on fixed assets is provided as per written down value method.

G) Investments:

Long term investments are stated at cost. Current investments are valued at cost or market value whichever is lower.

H) Inventories:

The inventories of shares & securities have been valued at lower of cost price or market value as at 31st March,2024.

I) Research and Development: -

Revenue Expenditure relating to Research and Development is charged to Profit and Loss account in the year in which it is incurred. Expenditure on Property, plant & equipment for Research and Development is capitalized.

J) Provision for Current Tax and Deferred Tax

Provision for current income tax is made on the basis of the amount payable on the taxable income computed as per provision of income tax Act, 1961. Deferred tax resulting from timing difference between book and taxable profit for the year is accounted for using current tax rate. Deferred tax Assets are recognized, if any only if, there is a virtual certainty that there would be adequate future taxable income against which such deferred tax assets can be realized

K) Foreign Currency Transactions:

Foreign currency is earned from the exports on the basis of FOB value and foreign currency expenditure is incurred in respect of directors travelling.

L) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized for liabilities that can be measured only by using a substantial degree of estimation, if:

- The company has a present obligation as a result of a past event.
- A probable outflow of resources is expected to settle the obligation and
- The amount of the obligation can be easily estimated.

Current Liability is disclosed in the case of:

- A present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation.
- A possible obligation, unless the probability of outflow of resources is remote.

Contingent Assets are neither recognized nor disclosed.