

Cityon Systems (India) Ltd.



Regd. Office :

215, Delhi Chambers, Delhi Gate, Delhi- 110002

CIN:- U72900DL2004PLC126096

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

E-mail : info@cityonsystems.in, Website : www.cityonsystems.in

CIN: L72900DL2004PLC126096

Date: 04.09.2020

To,
The Deputy General Manager,
Department of Corporate Services,
Bombay Stock Exchange, Mumbai
Phiroze Jeejeebhoy Towers
Dalal Street,
Mumbai- 400001

Sub: Notice of Annual General Meeting and submission of Annual Report of the Company
Ref.:- Scrip Code - 780013

Dear Sir / Madam,

This is to inform you that the Annual General Meeting of the Members of the Company will be held on Wednesday, the 30th day of September, 2020 at 3:30 P.M. through video conferencing/other audio visual to transact the business stated in Notice of Annual General Meeting of the Company.

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we attach herewith soft copy of the Annual Report for the financial year 2019-20 alongwith Notice of AGM.

Kindly acknowledge the receipt.

Thanking you,

Yours Faithfully,

For Cityon Systems (India) Limited

A handwritten signature in black ink, appearing to read "Radhika Jhunjunwala", written over a horizontal line.

(Radhika Jhunjunwala)
Company Secretary
M. No.: A38550

Encl.: As above

CITYON

ANNUAL REPORT 2019-20

CITYON SYSTEMS (INDIA) LIMITED

CIN: L72900DL2004PLC126096

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

Ph. No.: 011-41563395, Tele Fax: 011-43667149, 08800997149

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

Website: cityonsystems.in

BOARD OF DIRECTORS

| | |
|--|-----------------|
| Mr. Mukesh Kumar <i>Managing Director</i> | (DIN: 06573251) |
| Mr. Abhishek Tandon <i>Director</i> | (DIN: 03530860) |
| Mr. Gaya Prasad Gupta <i>Director</i> | (DIN: 00335302) |
| Mr. Anoop Srivastava <i>Director</i> | (DIN: 06571462) |
| Kavita Awasthi <i>Director</i> | (DIN: 03106803) |

Radhika Jhunjhunwala
Company Secretary

Auditors:

M/s Rajani Mukesh & Associates
Chartered Accountants,
510, Prem Ratan Vaitka,
7/180, Swaroop Nagar, Kanpur -208002

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

Yes Bank

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NOTICE

Notice is hereby given that Annual General Meeting of Shareholders of Cityon Systems (India) Limited (CIN: L72900DL2004PLC126096) will be held on Wednesday, September 30, 2020 at 3:30 P.M. through video conferencing/other audio visual means, to transact the following businesses s:

ORDINARY BUSINESSES

1. To receive, consider and adopt the audited financial statements for the financial year ended on 31st March, 2020 including the Balance Sheet and the Profit and Loss Account of the Company for the financial year ended on 31st March, 2020 and notes thereto 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.

For Cityon Systems (India) Limited



(Radhika Jhunjunwala)
Company Secretary
M. No.: A38550

Place: - Delhi
Date: - 31.08.2020

NOTES:

1. In view of the continuing restrictions on the movement of people at several places in the Country, due to outbreak of COVID-19, the Ministry of Corporate Affairs (MCA), vide its General Circular No. 20/2020 dated 5th May, 2020 read with General Circular No. 14/2020 dated 8th April, 2020 and General Circular No. 17/2020 dated 13th April, 2020 and other applicable circulars issued by the MCA & Securities and Exchange Board of India (SEBI), has allowed the Companies to conduct the AGM through Video Conferencing (VC) or Other Audio Visual Means (OAVM) during the calendar year 2020. In accordance with, the said circulars of MCA, SEBI and applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the Annual General Meeting of the Company shall be conducted through VC/ OAVM. The procedure for participating in the meeting through VC / OAVM is explained at Note No. 5.
2. As the AGM shall be conducted through VC / OAVM, the facility for appointment of Proxy by the Members is not available for this AGM and hence the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice.
3. Institutional / Corporate Members are requested to send a scanned copy (PDF / JPEG format) of the Board Resolution authorising its representatives to attend and vote at the AGM, pursuant to Section 113 of the Act, at info@cityonsystems.in or cityonsystems1@rediffmail.com.

4. ELECTRONIC DISPATCH OF ANNUAL REPORT-

In accordance with, the General Circular No. 20/2020 dated 5th May, 2020 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).

5. PROCEDURE FOR JOINING THE AGM THROUGH VC/ OAVM:

Shareholders will be provided with a facility to attend the AGM through VC/OAVM. A link will be sent on registered emails of Shareholders, Shareholders can join the meeting by clicking on the link so provided.

Shareholders are encouraged to join the Meeting through Laptops / IPads/ Tabs for better experience. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

Please note that Participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under section 103 of the Act.

6. PROCEDURE TO RAISE QUESTIONS / SEEK CLARIFICATION WITH RESPECT TO ANNUAL REPORT:

Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, Demat Account number / folio number, mobile number along with their queries to info@cityonsystems.in or cityonsystems1@rediffmail.com latest by 5.00 p.m. on Thursday 24th September, 2020. Questions / queries received by the Company till this time shall only be considered and responded during the AGM.

Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

The Company reserves the right to restrict the number of questions and number of speakers, as appropriate for smooth conduct of the AGM.

7. The Register of Members and Share Transfer Books of the Company will be closed from Wednesday, September 23, 2020 to Wednesday, September 30, 2020, both days inclusive.

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 -2:-

Information relating to Mr. Mukesh Kumar, Managing Director is given below and the above prescribed information of other Directors whose appointment/re-appointment is proposed at this ensuing Annual General Meeting are respectively given in the explanatory statement annexed with this notice-

| | |
|--|--|
| 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 | 9/9 |
| 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) | Member in Audit Committee of the Company |

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, 2020.

FINANCIAL RESULTS:

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

| PARTICULARS | Amount in (Rs.) | |
|---|------------------------------------|-----------------------|
| | FINANCIAL YEAR ENDED 31.03.2020 | 31.03.2019 |
| Total Revenue | 4295175.31 | 26,557,028.66 |
| Total Expenses | 6612904.97 | 28,393,468.70 |
| Profit/ (Loss) before Prior Period Items and Tax (PBT) | (2,317,729.66) | (1,836,440.04) |
| Add: Prior Period Items | 0.00 | 0.00 |
| Profit/(Loss) before Tax | (2,317,729.66) | (1,836,440.04) |
| Less: Provision for taxation (including deferred tax) | 3,980.80 | 4,282.48 |
| Profit after Tax (PAT) | (2,321,710.46) | (1,840,722.52) |
| EPS (Basic) | (0.14) | (0.11) |
| Diluted | (0.14) | (0.11) |

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.

DIVIDEND:

Due to loss incurred during the year, the Board of Directors does not recommend any dividend.

COVID-19:

The novel corona virus outbreak in the last quarter of fiscal year 2020 has significantly the revenue of the Company. We at Cityon Systems (India) Limited have been working on a safety first principle, ensuring that our employees and business partners are safe, and taking all necessary precautions to control the spread of Corona virus. Affairs of the Company are being operated as per the local guidelines complying with the required social distancing and high hygiene standards. While this has adversely impacted the sales performance, we continue to closely monitor the situation and take appropriate action, as necessary to scale up operations, in due compliance with the applicable regulations.

CHANGES IN SHARE CAPITAL:

During the year, there has been no change in Share Capital.

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 have been disclosed in the financial statements.

STATE OF THE COMPANY'S AFFAIRS AND NATURE OF BUSINESS:

Your Directors are to report that the company's sale turnover during the year under review has decreased to Rs. 4,295,175.31 from Rs. 26,557,028.66 during the previous financial year. There was loss of Rs. 2,321,710.46. Further, there has been no change in nature of business of the Company during the year.

TRANSFER TO RESERVES:

Due to loss incurred during the year, no amount was transferred to Reserve and Surplus Account during the year.

MATERIAL CHANGES AND COMMITMENTS:

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

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.

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Directors:

Mr. Mukesh Kumar (DIN: 06573251) retires by rotation and being eligible offers himself for re-appointment. Your Directors recommend his re-appointment.

On the recommendation of the Board of Directors, the Members of the Company at the Annual General Meeting held on September 26, 2019 approved appointment of:

- (a) Mr. Abhishek Tandon (DIN: 03530860) as Director of the Company, who was liable to retire at AGM and offered himself for re-appointment.

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.

Key Managerial Personnel:

There have been changes in Key Managerial Personnel(s) during the financial year 2018-19, Details are given as under:

| S. No. | Name | Designation | Date of Appointment | Date of Resignation |
|---------------|-------------------------|--|----------------------------|----------------------------|
| 1 | Mr. Mukesh Kumar | Managing Director | 04/07/2018 | Continuing |
| 2 | Mr. Ashok Kumar Sharma | Chief Financial Officer | 02/02/2015 | Continuing |
| 3 | Ms. Radhika Jhunhunwala | Company Secretary cum Compliance Officer | 25/01/2020 | Continuing |

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 readwith rules made thereunder and under Regulation 16 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 addition, the Chairman was also evaluated on the key aspects of his role.

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.

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.

AUDITORS & AUDITOR'S REPORT:

The Members of the Company at their Annual General Meeting held on September 29, 2017, approved appointment of M/s Rajani Mukesh & Associates, Chartered Accountants (ICAI Firm Registration No. 004072C) as Statutory Auditor of the Company to hold office as Statutory Auditor for 5 (five) years till the conclusion of Annual General Meeting of the Company to be held in the year 2022 subject to ratification at each and every intervening Annual General Meeting of the Company.

Since the requirement of ratification of Statutory Auditor is no more applicable for the Company, therefore, ratification of Statutory Auditor has not been taken into consideration.

The auditor's report 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.

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 Ms. Neha Jain, Practising Company Secretary, Kanpur to undertake the Secretarial Audit of the Company for the Financial Year 2019-20. The Secretarial Audit Report for financial year 2018-19 is annexed, which forms part of this report as **Annexure-A**. The Board discussed remark raised by Secretarial Auditor in her report, and noted that due to Lockdown on account of Covid-19, the annual maintenance of website of the Company could not be done on time henceforth all the contents of the website could not be verified by the Auditor, thus, she has given this remark and later on after updating/maintenance of the website of the Company, she has found it proper and according to provisions of the Act and SEBI Regulations

RELATED PARTY TRANSACTIONS:

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of the business. Further, there were no

materially significant with the related party transactions during the year made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons. 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.

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.

SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES:

There are no Subsidiaries, Joint Ventures or Associate Companies.

DISCLOSURES:

Audit Committee:

The Audit Committee comprises of Independent Directors namely Mrs. Kavita Awasthi, Mr. Gaya Prasad Gupta, Mr. Anoop Srivastava and Mr. Mukesh Kumar as Executive Director of the Company.

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.

Stakeholders Relationship Committee:

The Committee has met four times during the year, 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 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 **four times** during the year.

Vigil Mechanism / Whistle Blower Policy:

The Company is committed to the high standards of Corporate Governance and stakeholder responsibility. The Company has established a vigil mechanism to be known as the 'Whistle Blower Policy' for its Directors and employees, to report instances of unethical behaviour, actual or suspected, fraud or violation of the Company's Code of Conduct. The aim of the policy is to provide adequate safeguards against victimization of whistle blower who avails of the mechanism and also provide direct access to the Chairman of the Audit Committee, in appropriate or exceptional cases.

Accordingly, 'Whistle Blower Policy' has been formulated with a view to provide a mechanism for the Directors and employees of the Company to approach the Ethics.

The purpose of this policy is to provide a framework to promote responsible and secure whistle blowing. It protects employees willing to raise a concern about serious irregularities within the Company.

Number of Meetings of the Board:

Nine meetings of the Board were held during the year. For details of the meetings of the board, please refer to the corporate governance report, which forms part of this report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

Prevention of Insider Trading:

The Company has adopted a Code 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.

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.

Corporate Social Responsibility Statement:

Provisions relating the Corporate Social Responsibility are not applicable on the Company.

Information Pursuant to Section 134 (3) of the Companies Act, 2013:

The information required pursuant to Section 197 read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request. In terms of Section 136 of the Act, the reports and accounts are being sent to the members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the members at the Registered office of the company during business hours on working days of the company up to the date of ensuing Annual General Meeting. If any, member is interested in inspecting the same, such member may write to the Company Secretary in advance.

Extract of Annual Return:

The details forming part of the extract of the Annual Return in Form MGT-9 are annexed to this Report as **Annexure-C**.

Independent Directors Meeting:

The Independent Directors met on 13th March, 2020, 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.

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:-

[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 equipments: - 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.

Corporate Governance and Management Discussion and Analysis Report:

Separate reports on Corporate Governance compliance and Management Discussion and Analysis as required under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 which forms part of this Annual Report along with the Certificate from Statutory Auditors of the Company regarding compliance of the conditions of Corporate Governance as stipulated in Chapter IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In compliance with Corporate Governance requirements, your Company has formulated and implemented a Code of Business Conduct and Ethics for all Board members and senior management personnel of the Company, who have affirmed the compliance thereto.

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.

Disclosure under Sexual Harassment of Women:

The Company has Sexual Harassment Policy in place and available on the Company's website www.cityonsystems.in. During the year under review, there were no complaints from any of the employee.

DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SUB-SECTION (12) OF SECTION 143, IF ANY: NIL/NOT APPLICABLE

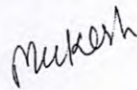
MAINTENANCE OF COST RECORDS BY THE COMPANY:

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

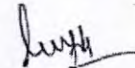
ACKNOWLEDGEMENTS:

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



(Mukesh Kumar)
Managing Director
DIN: 06573251



(Gaya Prasad Gupta)
Director
DIN: 00335302

Place: Delhi
Date: 31.08.2020

NEHA JAIN
COMPANY SECRETARY

Annexure A
"KAN Chambers"
Office No. 811, 8th Floor,
14/113, Civil Lines,
Kanpur-208001
Tel: 0512-2332397
Email: nehajain115@gmail.com

SECRETARIAL AUDIT REPORT

For the Financial Year ended March 31, 2020

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Cityon System (India) Limited
215, Delhi Chambers, Delhi Gate,
New Delhi -110002

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices **CITYON SYSTEM (INDIA) LIMITED** (hereinafter called as "**the Company**"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon. On account of our inability to conduct a physical verification owing to the lockdown restrictions imposed by the Government due to Covid-19 as well as absence of third-party verification, we have therefore, relied on books, papers, minute books, forms and returns filed and other records as provided by the management of the Company, its officers, agents and authorized representatives. We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2020 ("Audit Period"), 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.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2020 according to the provisions of:

- i) The Companies Act, 2013 ("The Act") and the Rules made thereunder.



under;

- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings **(Not applicable to the Company 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 (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 **(Not applicable to the Company during the year);**
 - d) The Securities and Exchange Board of (Share Based Employee Benefits) Regulations, 2014 **(Not applicable to the Company during the year);**
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not applicable to the Company during the year);**
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client **(Not applicable to the Company during the year);**
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares)



Regulations, 2009 **(Not applicable to the Company during the year);**

- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(Not applicable to the Company during the year);**
- i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter called as "SEBI Listing Regulations").

I further report that, as per the management representation letter for Secretarial Audit, there is no specific law, applicable to the Company.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India;
- (ii) The listing agreement entered into by the Company with Bombay Stock Exchange Limited (BSE).

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except that the website of the Company is not updated in accordance with the provisions of the Act and SEBI Listing Regulations.

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

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



NEHA JAIN
COMPANY SECRETARY

"KAN Chambers"
Office No. 811, 8th Floor,
14/113, Civil Lines,
Kanpur-208001
Tel: 0512-2332397
Email: nehajain115@gmail.com

All decisions at the Board Meetings and Committee Meetings have been carried out without dissent, as recorded in the minutes of the meetings of the Board or Committees of the Board, as the case may be.

I further report that there exist 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.

I further report that during the audit period, there were no instances of:

- a) Public Issue/Rights Issue/ Debentures/Sweat Equity, etc;
- b) Redemption / buy-back of securities;
- c) Major decision except the decision which has taken by the members in pursuance to section 180 (1)(c) of the Act;
- d) Merger / amalgamation / reconstruction, etc;
- e) Foreign technical collaborations.

UDIN: F008123B000628292

Date: 31.08.2020

Place: Kanpur

Thanking You,
NEHA JAIN
COMPANY SECRETARY

Neha Jain
C.P. No. 10628

(Neha Jain)

Practicing Company Secretary

FCS No. 8123

C.P. No.: 10628

Note: 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.

NEHA JAIN
COMPANY SECRETARY

"KAN Chambers"
Office No. 811, 8th Floor,
14/113, Civil Lines,
Kanpur-208001
Tel: 0512-2332397
Email: nehajain115@gmail.com

'Annexure A'

To,
The Members
Cityon System (India) Limited

Our report of even date is to be read along with this letter:

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
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 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, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Thanking You,
NEHA JAIN
COMPANY SECRETARY

Neha
C.P. No. 10628
(Neha Jain)

Practicing Company Secretary
FCS No. 8123
C.P. No.: 10628

Date: 31.08.2020
Place: Kanpur

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 arms 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****
 - (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 2019-20 and there were no material contracts or arrangements or transactions.*

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on 31st March, 2020

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management & Administration) Rules, 2014

I. REGISTRATION & OTHER DETAILS:

| | | |
|----|--|--|
| 1. | CIN | L72900DL2004PLC126096 |
| 2. | Registration Date | 27/04/2004 |
| 3. | Name of the Company | CITYON SYSTEMS (INDIA) LIMITED |
| 4. | Category/Sub-category of the Company | Company Limited By Shares / Non Government Company |
| 5. | Address of the Registered office & contact details | 215, DELHI CHAMBERS, DELHI GATE, Delhi-110002 Telefax: +91-11-43667149 |
| 6. | Whether listed company | Yes |
| 7. | Name, Address & contact details of the Registrar & Transfer Agent, if any. | Skyline Financial Services Private Limited D-153, 1 st Floor, Okhla Industrial Area Phase-1, New Delhi -110020 Tel : 011 -64732681-88 Fax: 011 -26812682 Email: admin@skylinerta.com |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:

| Sl. No. | Name and Description of main products / services | NIC Code of the Product/service | % to total turnover of the company |
|---------|--|---------------------------------|------------------------------------|
| 1 | Shares | 661 | 23.61 |
| 2 | Electric Items | 465 | 76.39 |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES- N.A.

| Sl. No. | NAME AND ADDRESS OF THE COMPANY | CIN/GLN | HOLDING/SUBSIDIARY/ASSOCIATE | % of shares held | Applicable Section |
|---------|---------------------------------|---------|------------------------------|------------------|--------------------|
| 1 | - | - | - | - | - |
| 2 | - | - | - | - | - |

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % Change during the year |
|---|---|----------|----------------|-------------------|---|----------|----------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoters | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) Individual/HUF | 6281360 | 0 | 6281360 | 36.68 | 6281360 | 0 | 6281360 | 36.68 | 0.00 |
| b) Central Govt. | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0.00 |
| c) State Govt(s) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0.00 |
| d) Bodies Corp. | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0.00 |
| e) Banks / FI | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0.00 |
| f) Any other | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0.00 |
| Sub Total (A) (1) | 6281360 | 0 | 6281360 | 36.68 | 6281360 | 0 | 6281360 | 36.68 | 0.00 |
| (2) Foreign | | | | | | | | | |
| a) NRIs-Individuals | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0.00 |
| b) other-Individuals | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0.00 |
| c) Bodies Corp. | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0.00 |
| d) Banks/FI | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0.00 |
| e) Any Other... | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0.00 |
| Sub-total (A) (2) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0.00 |
| Total shareholding of Promoter (A) = (A)(1)+(A)(2) | 6281360 | 0 | 6281360 | 36.68 | 6281360 | 0 | 6281360 | 36.68 | 0.00 |
| B. Public Shareholding | | | | | | | | | |
| 1. Institutions | | | | | | | | | |
| a) Mutual Funds | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0.00 |
| b) Banks / FI | 510000 | 0 | 510000 | 2.98 | 510000 | 0 | 510000 | 2.98 | 0.00 |
| c) Central Govt. | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0.00 |
| d) State Govt. (s) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0.00 |
| e) Venture Capital Funds | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0.00 |
| f) Insurance Companies | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0.00 |
| g) FIIs | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0.00 |
| h) Foreign Venture Capital Funds | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0.00 |
| i) Others (specify) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0.00 |
| Sub-total (B)(1):- | 510000 | 0 | 510000 | 2.97 | 510000 | 0 | 510000 | 2.97 | 0.00 |
| 2. Non-Institutions | | | | | | | | | |
| a) Bodies Corp. | | | | | | | | | |

| | | | | | | | | | |
|--|-----------------|----------|-----------------|---------------|-----------------|----------|-----------------|---------------|-------------|
| i) Indian | 4173100 | 0 | 4173100 | 24.37 | 4173100 | 0 | 4173100 | 24.37 | 0.00 |
| ii) Overseas | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| b) Individuals | | | | | | | | | |
| i) Individual shareholders holding nominal share capital up to Rs. 1 lakh | 61900 | 0 | 61900 | 0.36 | 61900 | 0 | 61900 | 0.36 | 0.00 |
| ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh | 5145800 | 0 | 5145800 | 30.05 | 5145800 | 0 | 5145800 | 30.05 | 0.00 |
| c) Others : | | | | | | | | | |
| Non Resident Indians | 40000 | 0 | 40000 | 0.23 | 40000 | 0 | 40000 | 0.23 | 0.00 |
| Hindu Undivided Family | 914200 | 0 | 914200 | 5.34 | 914200 | 0 | 914200 | 5.34 | 0.00 |
| Overseas Corporate Bodies | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0.00 |
| Foreign Nationals | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0.00 |
| Clearing Members | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| Trusts | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0.00 |
| Foreign Bodies - D R | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0.00 |
| Sub-total (B)(2):- | 10335000 | 0 | 10335000 | 60.35 | 10335000 | 0 | 10335000 | 60.35 | 0.00 |
| Total Public Shareholding (B)=(B)(1)+(B)(2) | 10845000 | 0 | 10845000 | 63.32 | 10845000 | 0 | 10845000 | 63.32 | 0.00 |
| C. Shares held by Custodian for GDRs & ADRs | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0.00 |
| Grand Total (A+B+C) | 17126360 | 0 | 17126360 | 100.00 | 17126360 | 0 | 17126360 | 100.00 | 0 |

(ii) Shareholding of Promoters:

| Sl. No. | Shareholder's Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % change in shareholding during the year |
|---------|--------------------|---|----------------------------------|--|-------------------------------------|----------------------------------|--|--|
| | | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | |
| 1 | Ashok Kumar Sharma | 2800 | 0.02 | 0.00 | 2800 | 0.02 | 0.00 | 0.00 |
| 2 | Pranav Sarin | 64240 | 0.38 | 0.00 | 64240 | 0.38 | 0.00 | 0.00 |
| 3 | Sandeep Jindal | 200400 | 1.17 | 0.00 | 200400 | 1.17 | 0.00 | 0.00 |
| 4 | Om Prakash Jaiswal | 200400 | 1.17 | 0.00 | 200400 | 1.17 | 0.00 | 0.00 |
| 5 | Sanjay Kumar | 175400 | 1.02 | 0.00 | 175400 | 1.02 | 0.00 | 0.00 |

| | | | | | | | | |
|---|---------------|----------------|--------------|-------------|----------------|--------------|-------------|-------------|
| 6 | Mukash Kumar | 2687332 | 15.69 | 0.00 | 2687332 | 15.69 | 0.00 | 0.00 |
| 7 | Ankur Agarwal | 2950788 | 17.23 | 0.00 | 2950788 | 17.23 | 0.00 | 0.00 |
| | Total | 6281360 | 36.68 | 0.00 | 6281360 | 36.68 | 0.00 | 0.00 |

(iii) Change in Promoters' Shareholding

There was no change in Promoters Shareholding during the year.

(iv) Shareholding Pattern of top ten Shareholders

(Other than Directors, Promoters and Holders of GDRs and ADRs):

| Sl. No. | Name of the shareholders | Shareholding at the beginning of the year | | Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweet equity etc.) | | | Cumulative Shareholding during the year | |
|---------|---|---|----------------------------------|--|---------------|--------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | Date | No. of Shares | Reason | No. of shares | % of total shares of the company |
| 1 | Cityon Nano Technology Private Limited | 1154000 | 6.74 | | No Change | | 1154000 | 6.74 |
| | At the end of the year (or on the date of separation, if separated during the year) | | | | | | 1154000 | 6.74 |
| 2 | Nirbharant Management Consultants Private Limited | 994200 | 5.81 | | No Change | | 994200 | 5.81 |
| | At the end of the year (or on the date of separation, if separated during the year) | | | | | | 994200 | 5.81 |
| 3 | Bansal Suppliers Private Limited | 711740 | 4.16 | | No Change | | 711740 | 4.16 |
| | At the end of the year (or on the date of separation, if separated during the year) | | | | | | 711740 | 4.16 |
| 4 | Cityon Infrastructure Private Limited | 539495 | 3.15 | | No Change | | 539495 | 3.15 |
| | At the end of the year (or on the date of separation, if separated during the year) | | | | | | 539495 | 3.15 |
| 5 | Next Orbit Ventures Fund | 510000 | 2.98 | | No Change | | 510000 | 2.98 |
| | At the end of the year (or on the date of separation, if separated during the year) | | | | | | 510000 | 2.98 |
| 6 | Success Vyapar Limited | 423225 | 2.47 | | No Change | | 423225 | 2.47 |
| | At the end of the year (or on the date of separation, if separated during the year) | | | | | | 423225 | 2.47 |
| 7 | Harish Popli | 280000 | 1.63 | | No Change | | 280000 | 1.63 |
| | At the end of the year (or on the date of separation, if separated during the year) | | | | | | 280000 | 1.63 |
| 8 | Shri Mehndipur Balaji Infradevelopers Private Limited | 261340 | 1.53 | | No Change | | 261340 | 1.53 |
| | At the end of the year (or on the date of separation, if separated during the year) | | | | | | 261340 | 1.53 |

| | | | | | | |
|----|---|--------|------|-----------|--------|------|
| 9 | Vimal Banka | 160000 | 0.93 | No Change | 160000 | 0.93 |
| | At the end of the year (or on the date of separation, if separated during the year) | | | | 160000 | 0.93 |
| 10 | Shashi Agarwal | 160000 | 0.93 | No Change | 160000 | 0.93 |
| | At the end of the year (or on the date of separation, if separated during the year) | | | | 160000 | 0.93 |

(v) Shareholding of Directors and Key Managerial Personnel:

A. Directors

| Sl. No. | Director's Name | Shareholding at the beginning of the year | | Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweet equity etc.) | | | Cumulative Shareholding during the year | |
|---------|-------------------------------------|---|----------------------------------|--|---------------|--------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | Date | No. of Shares | Reason | No. of shares | % of total shares of the company |
| 1 | Mukesh Kumar (Managing Director) | 2687332 | 15.69 | No change during the year | | | 2687332 | 15.69 |
| | At the end of the year | | | | | | 2687332 | 15.69 |
| 2 | Abhishek Tandon (Director) | No Shareholding in the company | | | | | | |
| 3 | Gaya Prasad Gupta (Director) | No Shareholding in the company | | | | | | |
| 4 | Anoop Srivastava (Director) | No Shareholding in the company | | | | | | |
| 5 | Om Prakash Agarwal* (Director) | No Shareholding in the company | | | | | | |
| 6 | Kavita Awasthi (Director) | No Shareholding in the company | | | | | | |

* Mr. Om Prakash Agarwal has resigned the Company w.e.f. 31.01.2020.

B. Key Managerial Personnel:

| Sl. No. | Name of Key Managerial Personnel (KMP) | Shareholding at the beginning of the year | | Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweet equity etc.) | | | Cumulative Shareholding during the year | |
|---------|---|---|----------------------------------|--|---------------|--------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | Date | No. of Shares | Reason | No. of shares | % of total shares of the company |
| 1 | Mukesh Kumar (Managing Director) | 2687332 | 15.69 | No change during the year | | | 2687332 | 15.69 |
| 2 | Ashok Kumar Sharma (Chief Financial Officer) | 2800 | 0.02 | No change during the year | | | 2800 | 0.02 |
| 3 | Radhika | | | | | | | |

| | |
|---|--------------------------------|
| Jhunjhunwala (Company Secretary)* | No Shareholding in the company |
|---|--------------------------------|

**the appointment of Ms. Radhika Jhunjhunwala has been made w.e.f. 25.01.2020.*

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

(Amount in Rupees)

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|--|--------------------|------------|-----------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | Nil | 90372425 | Nil | 90372425 |
| ii) Interest due but not paid | Nil | Nil | Nil | Nil |
| iii) Interest accrued but not due | Nil | Nil | Nil | Nil |
| Total (i+ii+iii) | Nil | 90372425 | Nil | 90372425 |
| Change in Indebtedness during the financial year | | | | |
| • Addition | Nil | Nil | Nil | Nil |
| • Reduction | Nil | Nil | Nil | Nil |
| Net Change | Nil | Nil | Nil | Nil |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | Nil | 90372425 | Nil | 90372425 |
| ii) Interest due but not paid | Nil | Nil | Nil | Nil |
| iii) Interest accrued but not due | Nil | Nil | Nil | Nil |
| Total (i+ii+iii) | Nil | 90372425 | Nil | 90372425 |

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

| Sl. No. | Particulars of Remuneration | Name of | MD / WTD / | | (In Rupees) |
|---------|---|---------|------------|--------------|-----------------|
| | | | Manager | | Total Amount |
| | | | | | |
| | | | | Mukesh Kumar | |
| 1. | Gross salary (a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) of Income-tax Act, 1961 (c) Profits in lieu of salary under Section 17(3) of Income-tax Act, 1961 | | 318000 | | 318000 |
| | | | - | | - |
| | | | - | | - |
| 2. | Stock Option | | - | | - |
| 3. | Sweat Equity | | - | | - |
| 4. | Commission - as % of profit - others, specify... | | - | | - |
| | | | - | | - |

| | | | |
|----|------------------------|--|---------------|
| | | - | |
| 5. | Others, please specify | - | - |
| | Total (A) | 318000 | 318000 |
| | Ceiling as per the Act | Since, profit of the Company is insufficient or inadequate to pay remuneration to managerial personnel and remuneration is being paid subject to the compliance of provisions of the Companies Act, 2013 read with Schedule V (erstwhile Schedule XIII of the Companies Act, 1956) and overall remuneration is subject to the provisions of Schedule V of the Companies Act, 2013. | |

Above salary has been shown on accrual basis though payment of same may be in next financial year(s).

B. Remuneration to other Directors:

(Amount in Rupees)

| Sl. No. | Particulars of Remuneration | Name of Directors | | | | | Total Amount |
|---------|--|---|-------------------|---------------------|------------------|----------------|--------------|
| | | Abhishek Tandon | Gaya Prasad Gupta | Om Prakash Agarwal* | Anoop Srivastava | Kavita Awasthi | |
| 1 | Independent Directors | | | | | | |
| | • Fee for attending board committee meetings | - | - | - | - | - | - |
| | • Commission | - | - | - | - | - | - |
| | • Others, please specify | - | - | - | - | - | - |
| | Total (1) | - | - | - | - | - | - |
| 2 | Other Non-Executive Directors | | | | | | |
| | • Fee for attending board committee meetings | - | - | - | - | - | - |
| | • Commission | - | - | - | - | - | - |
| | • Others, please specify | - | - | - | - | - | - |
| | Total (2) | - | - | - | - | - | - |
| | Total (B) = (1+2) | - | - | - | - | - | - |
| | Total Managerial Remuneration | - | - | - | - | - | - |
| | Overall ceiling as the Act | Though, no remuneration to other Directors mentioned in point no. B has been paid during the Financial Year 2019-20 and whenever remuneration is paid, overall limits will be subject to the provisions of the Companies Act, 2013. | | | | | |

* Mr. Om Prakash Agarwal has resigned the Company w.e.f. 31.01.2020.

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(Amt. in Lakhs)

| Sl. No. | Particulars of Remuneration | Key Managerial Personnel | | | |
|---------|---|--------------------------|-------------|-------------|-------------|
| | | CEO | CFO | CS | Total |
| 1 | Gross salary | | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | - | 5.64 | 0.67 | 6.31 |
| | (b) Value of perquisites u/s 17(2) of Income-tax Act, 1961 | - | - | - | - |
| | (c) Profits in lieu of salary under section 17(3) of Income-tax Act, 1961 | - | - | - | - |
| 2 | Stock Option | - | - | - | - |
| 3 | Sweat Equity | - | - | - | - |
| 4 | Commission | | | | |
| | - as % of profit | - | - | - | - |
| | - others, specify... | - | - | - | - |
| 5 | Others, please specify | - | - | - | - |
| | Total | - | 5.64 | 0.67 | 6.31 |

* There is no CEO in the Company; MD has been categorized as Key Managerial Personnel under Section 203 of the Companies Act, 2013, whose remuneration details in point no. A.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

| Type | Section of the Companies Act | Brief Description | Details of Penalty/Punishment/Compounding fees imposed | Authority [RD/NCLT/COURT] | Appeal made, if any (give details) |
|-------------------------------------|------------------------------|-------------------|--|---------------------------|------------------------------------|
| A. COMPANY | | | | | |
| Penalty | | | NONE | | |
| Punishment | | | | | |
| Compounding | | | | | |
| B. DIRECTORS | | | | | |
| Penalty | | | NONE | | |
| Punishment | | | | | |
| Compounding | | | | | |
| C. OTHER OFFICERS IN DEFAULT | | | | | |
| Penalty | | | NONE | | |
| Punishment | | | | | |
| Compounding | | | | | |

CORPORATE GOVERNANCE REPORT

1. A BRIEF STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Cityon Systems (India) Limited is committed to Good Corporate Governance. The fundamental objective of Cityon's Corporate Governance is "enhancement of the long-term shareholder value while at the same time protecting the interest of other stakeholders". Cityon's Code of Corporate Governance has been drafted in compliance with the code of "Corporate Governance" as promulgated by the Securities and Exchange Board of India (SEBI).

2. BOARD OF DIRECTORS

The Board of Directors of Cityon Systems (India) Limited is comprised of 5 (Five) Directors. One Director is Executive, One is Non Executive / Non-Independent and three are Non Executive / Independent. During the Financial Year 2019-20, 9 meetings of the Board were held. These meeting were held on 22-05-2019, 28-05-2019, 10-06-2019, 26-08-2019, 06-11-2019, 25-01-2020, 07-02-2020, 18-03-2020 and 25-03-2020.

Details of Director's attendance and other particulars are given below:

| Director | Designation | 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 |
|---------------------|-------------|---------------------------|-------------------------------|-------------------------------|--|
| Mukesh Kumar | MD | 9 | 9 | Yes | Nil |
| Abhishek Tandon | Director | 9 | 7 | Yes | Nil |
| Gaya Prasad Gupta | Director | 9 | 9 | Yes | 3 |
| Om Prakash Agarwal* | Director | 9 | 5 | Yes | 3 |
| Anoop Srivastava | Director | 9 | 8 | Yes | 6 |
| Kavita Awasthi | Director | 9 | 7 | No | 2 |

* Mr. Om Prakash Agarwal has resigned the Company w.e.f. January 31, 2020 from the Directorship of the Company.

MD denotes Managing Director.

Details of familiarization programmes imparted to independent directors during the year, are disclosed on the Company's website i.e. www.cityonsystems.in.

3. AUDIT COMMITTEE

The Audit Committee has been constituted in line with the provisions of the Section 177 of the Companies Act, 2013 readwith Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, The Audit Committee of the Company consists of Four Directors and all the Directors have good knowledge in finance and accounts.

Composition of Audit Committee is as under:

COMPOSITION

| | |
|-----------------------|--|
| Mrs. Kavita Awasthi | Chairman, Non Executive/Independent Director |
| Mr. Gaya Prasad Gupta | Member, Non Executive/Independent Director |
| Mr. Anoop Srivastava | Member, Non Executive/Independent Director |
| Mr. Mukesh Kumar | Member, Executive Director |

Meeting and attendance during the year

| Members | Meeting Held | Meeting Attended |
|-------------------------|--------------|------------------|
| Mr. Om Prakash Agarwal* | 4 | 3 |
| Mrs. Kavita Awasthi | 4 | 1 |
| Mr. Gaya Prasad Gupta | 4 | 4 |
| Mr. Anoop Srivastava | 4 | 4 |
| Mr. Mukesh Kumar | 4 | 4 |

* Om Prakash Agarwal has resigned the Company w.e.f. 31.01.2020, and due to resignation of Mr. Om Prakash Agarwal, the Committee was reconstituted.

Terms of Reference:

The terms of references of the Audit Committee covering the matters specified under Clause 49 of the Listing Agreement / Regulation 18 read with Part C of Schedule II to the SEBI (Listing Obligations and Disclosures requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013. The terms of reference for the Audit Committee are broadly as under:

- (1) Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (2) Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
- (3) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- (4) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - (a) Matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - (b) Changes, if any, in accounting policies and practices and reasons for the same;
 - (c) Major accounting entries involving estimates based on the exercise of judgment by management;
 - (d) Significant adjustments made in the financial statements arising out of audit findings;
 - (e) Compliance with listing and other legal requirements relating to financial statements;
 - (f) Disclosure of any related party transactions;
 - (g) Modified opinion(s) in the draft audit report;
- (5) Reviewing, with the management, the quarterly financial statements before submission to the board for approval;

- (6) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- (7) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- (8) Approval or any subsequent modification of transactions of the listed entity with related parties;
- (9) Scrutiny of inter-corporate loans and investments;
- (10) Valuation of undertakings or assets of the listed entity, wherever it is necessary;
- (11) Evaluation of internal financial controls and risk management systems;
- (12) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (13) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (14) Discussion with internal auditors of any significant findings and follow up there on;
- (15) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- (16) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (17) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (18) To review the functioning of the whistle blower mechanism;
- (19) Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- (20) Carrying out any other function as is mentioned in the terms of reference of the audit committee.

5. STAKEHOLDER RELATIONSHIP COMMITTEE:

Stakeholders Relationship Committee is comprises of 3 directors, its composition are as under:

Composition

| | |
|------------------------|---|
| Mr. Anoop Srivastava | Chairman (Non-Executive/Independent Director) |
| Mr. Gaya Prasad Gupta | Member, Non-Executive Director/Independent Director |
| Mr. Om Prakash Agarwal | Member, Non-Executive Director/Independent Director |

Meeting and attendance during the year

| Members | Meeting Held | Meeting Attended |
|-------------------------|--------------|------------------|
| Mr. Anoop Srivastava | 4 | 4 |
| Mr. Gaya Prasad Gupta | 4 | 4 |
| Mr. Om Prakash Agarwal* | 4 | 3 |
| Mrs. Kavita Awasthi | 4 | 1 |

* Om Prakash Agarwal has resigned the Company w.e.f. 31.01.2020, and due to resignation of Mr. Om Prakash Agarwal, the Committee was reconstituted.

The Committee has been constituted to specially look into Shareholders grievances such as transfer, de-materialization related matters. The Committee has also been dealing the power to approve transfer/transmission, issue of new or duplicate certificates, subdivisions of shares or spit of shares and all other related matters of shares.

There were no complaints pending as on 31.03.2020.

The Board appointed to Ms. Radhika Jhunjunwala as Company Secretary w.e.f. 25.01.2020 who is looking after the Compliance work and act as Compliance Officer of the Company.

Ms. Neha Jain, Practising Company Secretary, Kanpur is conducting Reconciliation of Share Capital Audit Report of the Company.

5. NOMINATION AND REMUNERATION COMMITTEE

The nomination and Remuneration Committee comprises of three (3) directors. Composition of committee are as under:

Composition of Committee

| | |
|-----------------------|--|
| Mr. Gaya Prasad Gupta | Chairman, Non Executive/Independent Director |
| Mrs. Kavita Awasthi | Member, Non Executive/Independent Director |
| Mr. Anoop Srivastava | Member, Non Executive/Independent Director |

Meeting and attendance during the year

| Members | Meeting Held | Meeting Attended |
|-------------------------|--------------|------------------|
| Mr. Gaya Prasad Gupta | 4 | 4 |
| Mr. Om Prakash Agarwal* | 4 | 3 |
| Mrs. Kavita Awasthi | 4 | 1 |
| Mr. Anoop Srivastava | 4 | 4 |

* Om Prakash Agarwal has resigned the Company w.e.f. 31.01.2020, and due to resignation of Mr. Om Prakash Agarwal, the Committee was reconstituted.

No sitting fees have been paid by the Company to any Directors for attending Board Meetings or any Committee Meetings during the financial year 2019-20.

The Nomination and Remuneration Committee shall identify persons who are qualified to become directors of the company and who may be appointed in senior management in accordance with criteria laid down by the company. It recommends to the Board for their appointment as Directors or at senior management level.

The Committee had been consulted to review and approve the annual salaries, commission, service management and other employment conditions for the executive directors.

The terms of reference of the Nomination and Remuneration Committee are in line with the requirements of the Companies Act, 2013 and Regulation 19 read with Part D of Schedule II to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The terms of reference of the Committee are broadly as under:

- (1) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- (2) Formulation of criteria for evaluation of performance of independent directors and the board of directors;
- (3) Devising a policy on diversity of board of directors;
- (4) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- (5) Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

Details of the remuneration paid to Executive Directors during the financial year 2019-20, are as under:

| Name of Director | Designation | Remuneration |
|-------------------------|--------------------|---------------------|
| Mr. Mukesh Kumar | Managing Director | 3,18,000.00 |

- Except above remuneration/salary, no other remuneration was paid to aforesaid Directors during the financial year 2019-20.
- Figures of the remuneration are on accrual basis, payment of the same may be in next financial year(s).

Details of the remuneration paid to other Directors during the financial year 2019-20, are as under

| Name of Directors | Designation | Remuneration |
|--------------------------|--|--|
| Mr. Abhishek Tandon | Director (Non Executive / Non Independent) | No remuneration has been paid during the financial year 2019-20 by way of any modes such as sitting fees, commission or any other mode |
| Mr. Anoop Srivastava | Director (Independent) | No remuneration has been paid during the financial year 2019-20 by way of any modes such as sitting fees, commission or any other mode |

| | | |
|------------------------|------------------------|--|
| Mr. Om Prakash Agarwal | Director (Independent) | No remuneration has been paid during the financial year 2019-20 by way of any modes such as sitting fees, commission or any other mode |
| Mr. Gaya Prasad Gupta | Director (Independent) | No remuneration has been paid during the financial year 2019-20 by way of any modes such as sitting fees, commission or any other mode |
| Mrs. Kavita Awasthi | Director (Independent) | No remuneration has been paid during the financial year 2019-20 by way of any modes such as sitting fees, commission or any other mode |

COMPLIANCE OFFICER:

Ms. Radhika Jhunhunwala, Company Secretary of the Company is acting as Compliance Officer of the Company.

PERFORMANCE EVALUATION OF THE BOARD, DIRECTORS (INCLUDING INDEPENDENT) AND COMMITTEE(S)

After taking into consideration one to one inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance; pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Appointment and Remuneration Committees.

Independent Directors Meeting

During the year under review, the Independent Directors met on March 13, 2020, inter alia, to discuss:

1. Evaluation of the performance of Non Independent Directors and the Board of Directors as a Whole;
2. Evaluation of the performance of the Chairman of the Company, taking into account the views of the Non executive Directors.
3. Evaluation of the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at the meeting.

6. SHAREHOLDER'S MEETINGS

Details of last three AGMs held

| Year | Date | Venue | Time |
|---------|------------|---|-----------|
| 2019-20 | 26.09.2019 | 215, Delhi Chambers, Delhi Gate, Delhi - 110002 | 3:30 P.M. |
| 2018-19 | 28.09.2018 | 215, Delhi Chambers, Delhi Gate, Delhi - 110002 | 4:00 P.M. |
| 2017-18 | 29.09.2017 | 215, Delhi Chambers, Delhi Gate, Delhi - 110002 | 3:30 P.M. |

Businesses

| Year | Special Resolution passed for: |
|---------|---|
| 2019-20 | <ol style="list-style-type: none">1. Re-appointment of Mr. Gaya Prasad Gupta (DIN: 00335302) as Director for second term of five years.2. Re-appointment of Mr. Om Prakash Agarwal (DIN: 03358726) as Director for second term of five years.3. Re-appointment of Mr. Anoop Srivastava (DIN: 06571462) as Director for second term of five years.4. Re-appointment of Mrs. Kavita Awasthi (DIN: 03106803) as Director for second term of five years. |
| 2018-19 | Appointment of Mr. Mukesh Kumar as Managing Director of the Company for a period of three years effective from 04.07.2018 to 03.07.2021 |
| 2017-18 | No Special Resolution was passed at Annual General Meeting held in the year 2017 |

No special resolution was passed through Postal Ballot during the financial year 2019-20.

7. DISCLOSURES

(a) Basis of related party transactions:

Disclosure on materially significant related transactions i.e. transactions of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interest of the Company at large – Nil.

Further, transactions with related party(ies) has been made during the ordinary course of business and on arm's length basis.

Policy for related party transactions is placed on website of the Company i.e. www.cityonsystems.in.

(b) Whistle Blower Policy:

The Company believes in the conduct of the affairs of its various constituents in a fair and transparent manner, by adopting the highest standard of professionalism, honesty, integrity and ethical behaviour and open communication. The Company has Whistle Blower Policy under which the employees are free to report instances of unethical behaviour, violation of laws and regulations and the code of conduct or policies of the Company. The employees can approach the same directly to Chairman of Audit Committee. During the year under review, no employee was denied access to the Audit Committee.

(c) Risk Management:

The Company has a well defined risk management framework in place, further it has established procedures to periodically place before the Board, the risk assessment and minimization procedures being followed and the steps were taken by it to mitigate these risks.

(d) There is no inter-se relationships between the Directors of the Company.

(e) Disclosure of Accounting Treatment:

There have not been any significant changes in accounting policies during the year.

(f) Compliance by the Company:

There are no instances of non-compliances by the Company on any matters related to the capital market, nor have any penalty/strictures been imposed by the Stock Exchanges or SEBI or any other statutory authority on any matter relating to capital market during the Financial Year ended on March 31, 2020.

(8) MEANS OF COMMUNICATION:

Since, Company is listed on BSE SME (ITP), subject to the provisions of Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, financial results are required to be submitted on half yearly basis in place of quarterly and it is not mandatorily required to get these results be published in newspapers, henceforth, hosting of the same is made on company's website www.cityonsystems.in besides sending the same to Bombay Stock Exchange.

Whether the Management Discussion and Analysis section is part of the Annual report or not: Yes

(9) GENERAL SHAREHOLDER INFORMATION:

(a) Company Registration Details:

The Company Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L72900DL2004PLC126096.

(b) Annual General Meeting:

(Day, Date, Time and Venue)

Wednesday, September 30, 2020 at 3:30 P.M.
215, Delhi Chambers, Delhi Gate, Delhi – 110002

(c) Financial Year:

Financial Year – April 1, 2019 to March 31, 2020

(d) Book Closure Date:

Wednesday, September 23, 2020 to Wednesday, September 30, 2020, both days inclusive. No dividend is being declared in the Annual General Meeting.

(e) Listing:

Equity Shares of the Company are actively listed on BSE SME (ITP).
Scrip Code: 780013
ISIN: INE324P01014

- (i) Bombay Stock Exchange Ltd.
Phirize Jeejeephoy Towers,
Dalal Stret, Mumbai – 400001

(f) Performance of the Company's Stock Price vis-à-vis BSE SENSEX:

Since, Shares of the Company is listed on BSE SME (ITP), Performance of the Company's Stock Price vis-à-vis may not be material / significant.

(g) Registrar and Transfer Agents:

Members/Shareholders are requested to correspond with the Company's Registrar and Transfer Agent quoting their Folio No./DP ID & Client ID at the following address:

Skyline Financial Services Private Limited

D-153/A, 1st Floor, Okhla Industrial Area,
Phase-1, New Delhi – 110020

Phone Nos. – 011-26812682-83/64732681-88, Fax No. - 011-26292681
E-mail: admin@skylinerta.com

(h) Share Transfer System:

Securities lodged for transfers are processed and security certificates are returned within a period of fifteen days from the date of its receipt, subject to all documents being valid and complete in all respects. The Board of Directors has delegated the authority for approving transfer, transmission etc. of the Company's Securities to Company Secretary of the Company. The Company obtains a certificate from Company Secretary in practice

on half yearly basis certifying that all the compliances with transfer formalities, as required under Regulation 40(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 have been complied with and files it with Stock Exchange(s).

(i) Shareholding Pattern as on March 31, 2020:

| Category | No. of Shares | % of Holding |
|----------------------------------|----------------------|---------------------|
| (A) Promoters Holding | | |
| Individuals | 6281360 | 36.68 |
| Bodies Corporate | 0 | 0.00 |
| Sub-Total (A) | 6281360 | 36.68 |
| (B) Non Promoters Holding | | |
| (1) Financial Institutions/Banks | 510000 | 2.98 |
| Sub-Total (B) (1) | 510000 | 2.98 |
| (2) Non-Institutions | | |
| • Bodies Corporate | 4173100 | 24.37 |
| • Individuals | 5207700 | 30.40 |
| • Non Resident Indians | 40000 | 0.23 |
| • HUF | 914200 | 5.34 |
| Sub-Total (B) (2) | 10335000 | 60.34 |
| Sub-Total (B) | 10845000 | 63.32 |
| Grand Total (A+B) | 17126360 | 100.00 |

Distribution Schedule of Equity Shareholder as on March 31, 2020:

| Share or Debenture holding Nominal Value | Number of Shareholders | % to Total Numbers | Share or Debenture holding Amount | % to Total Amount |
|---|-------------------------------|---------------------------|--|--------------------------|
| (Rs.) | | | (Rs.) | |
| Up To 5,000 | 0 | 0.00 | 0 | 0.00 |
| 5001 To 10,000 | 1 | 0.61 | 9000 | 0.01 |
| 10001 To 20,000 | 1 | 0.61 | 20000 | 0.01 |
| 20001 To 30,000 | 1 | 0.61 | 28000 | 0.02 |
| 30001 To 40,000 | 0 | 0.00 | 0 | 0.00 |
| 40001 To 50,000 | 0 | 0.00 | 0 | 0.00 |
| 50001 To 1,00,000 | 7 | 4.27 | 674000 | 0.39 |
| 1,00,000 and Above | 154 | 93.90 | 170532600 | 99.57 |
| Total | 164 | 100.00 | 171263600 | 100.00 |

(j) Dematerialization of Equity Shares and its Liquity:

The Company has tie-ups with NSDL and CDSL, 100% Equity Shares of the Company are in Electronic Form/Demat Form.

(k) The Company has not issued any GDRs/ADRs.

(l) Branches/Plants:

The Company has no branch / Plant.

(m) Payment of Listing Fees:

Annual Listing Fees for the year 2020-21 has not been paid by the Company to BSE.

(n) Payment of Depository Fees:

Annual Custodian fees to NSDL/CDSL has not been paid by the Company and it is expected that the same will be paid shortly to CDSL and NSDL.

(o) E-mail ID of Grievance Redressal Division:

info@cityonsystems.in, cityonsystems1@rediffmail.com

(p) Address for correspondence:

For any assistance regarding share transfer and transmission, change of address, non receipt of share certificates, demat and other matters, please write to our Registrar and Share Transfer Agent of the Company at address mentioned at (f) above. For any query on the Annual Report and for any complaints or suggestions, please write to or contact:

Mr. Mukesh Kumar
Managing Director
Cityon Systems (India) Limited
215, Delhi Chambers, Delhi Gate,
Delhi -110002
Phone No.: 011-41563395, 43667149
TelFax: 011-43667149
E-mail: info@cityonsystems.in, cityonsystems1@rediffmail.com,
Website: www.cityonsystems.in

(10) COMPLIANCE WITH DISCRETIONARY REQUIREMENTS AS PER REGULATION 27(1) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:

The Company has adopted following discretionary requirements of Regulations 27(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015-

(a) Audit Qualifications: The Company is in regime of the un-audited financial statements.

(b) Reporting of Internal Auditor: The Internal Auditor reports directly to Audit Committee of the Company.

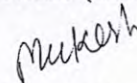
(11) CEO AND CFO CERTIFICATION:

The Managing Director and Chief Financial Officer of the Company give annual Compliance Certificate in accordance with Regulation 17(8) read with Part B of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The annual compliance certificate given by the Chairman and Managing Director and Chief Financial Officer is attached in Annual report.

DECLARATION OF COMPLIANCE WITH CODE OF CONDUCT

I, Mukesh Kumar, Managing Director of the Company, hereby declare that, all the members of the Board and the Senior Management personnel have confirmed their compliance with the Code of Conduct for the year ended March 31, 2020.

For Cityon Systems (India) Limited



(Mukesh Kumar)
Managing Director
DIN: 06573251

Place: Delhi
Date: 31.08.2020

CEO/CFO CERTIFICATION
(Pursuant to Regulation 17(8) of SEBI (LODR) Regulations, 2015)

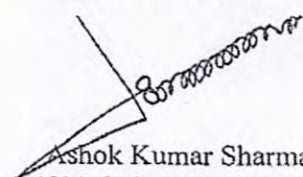
In terms of Regulation 17(8) of SEBI (LODR) Regulations, 2015, the Managing Director and Chief Financial Officer of the Company has certified to the Board that:

- (a) We have reviewed the financial statements and the cash flow statement for the year ended March 31, 2020 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

Mukesh

Mukesh Kumar
Managing Director
DIN: 06573251


Ashok Kumar Sharma
(Chief Financial Officer)

Date: 31.08.2020

Place: Delhi

NEHA JAIN
COMPANY SECRETARY

“KAN Chambers”

Office No. 811, 8th Floor,
14/113, Civil Lines,
Kanpur-208001
Tel: 0512-2332397

Email: nehajain115@gmail.com

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) and Clause (10)(i) of Para C of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended]

To,
The Members,
Cityon Systems (INDIA) Limited
215, Delhi Chambers,
Delhi Gate, New Delhi-110 002

I have examined the relevant registers, records and disclosures received from the Directors of CITYON SYSTEMS (INDIA) LIMITED (hereinafter referred to as “the Company”) having CIN: L72900DL2004PLC126096 and having its registered office at, 215, DELHI CHAMBERS, DELHI GATE, NEW DELHI-110002 produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Clause (10)(i) of Para C of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”).

In my opinion and to the best of my information and according to the verifications [including Directors Identification Number (DIN) status at the portal www.mca.gov.in] as considered necessary and explanations furnished to me by the Company & its Officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on March 31, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.



NEHA JAIN
COMPANY SECRETARY

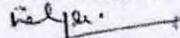
"KAN Chambers"
Office No. 811, 8th Floor,
14/113, Civil Lines,
Kanpur-208001
Tel: 0512-2332397
Email: nehajain115@gmail.com

| S.N. | Name of Director | DIN | Latest Date of Appointment/Re-appointment at current designation |
|------|-------------------|----------|--|
| 1. | ABHISHEK TANDON | 03530860 | 21/05/2013 |
| 2. | ANOOP SRIVASTAVA | 06571462 | 26/09/2019 |
| 3. | GAYA PRASAD GUPTA | 00335302 | 26/09/2019 |
| 4. | MUKESH KUMAR | 06573251 | 04/07/2018 |
| 5. | KAVITA AWASTHI | 03106803 | 26/09/2019 |

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these based on our verification. This Certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

UDIN: F008123B000644957
Place: Kanpur
Date: September 01, 2020

Thanking You,
NEHA JAIN
COMPANY SECRETARY


C.P. No. 10628
NEHA JAIN
Company Secretary
FCS No.: 8123
C P No.: 10628

Management Discussion & Analysis

ECONOMIC OVERVIEW

The economic conditions in the country in the current fiscal have been challenging with inflation being the major factor driving economic policy. Policy formulation has become more complicated and Indian rupee has tended to remain weak against major international currencies. There was overall slowdown in the economy of the country.

FINANCIAL PERFORMANCE

Due to overall slowdown in the economy of country, the company incurred loss of Rs. 2,321,710.46 during the year under review and it is expected that the company will perform better in coming years.

BUSINESS STRATGEY ANALYSIS AND OUTLOOK

The Company always reviews its business strategy and it makes efforts to estimate with optimum fruitful future results and makes diversification in new avenues as and when it is necessitated and expected to be profitable in future.

OPPORTUNITIES AND STRENGTHS

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.

BUSINESS OVERVIEW

The company has good recognition among its shareholders spread throughout country. The company has evolved new vision and focus. The company has a strategy to diversify its business activities in coming years.

RISKS AND CONCERNS

The Capital market industry in which your Company is operating is subject to extensive regulation. The Company evaluates the technological obsolescence and the associated risk and makes investment accordingly

IINTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has satisfactory internal control system. The Company including subsidiaries has an adequate system of internal controls to ensure accuracy of accounting records, compliance with all laws & regulations and compliance with all rules, procedures & guidelines prescribed by the management. An extensive internal audit is carried out by independent firm of Chartered Accountants. An internal team of inspection also regularly visits branches for ensuring regulatory compliance. Post audit reviews are also carried out to ensure follow up on the observations made.

HUMAN CAPITAL

The company recognizes that its success is deeply embedded in the success of the human resources. The company has significantly scaled up its activities through investment in people and infrastructure. The company nurtures its employees through healthy working atmosphere that ensures equal opportunity for growth and challenge to all the equal opportunity for growth and challenge to all employees. The company believes in creating business leaders by employing best talent in the industry, providing opportunities, empowerment by delegations, training and taking care of their growth.

CAUTIONERY 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.



RAJANI MUKESH & ASSOCIATES

Chartered Accountants

503, Prem Ratan Vatika,

7/180, Swaroop Nagar, Kanpur – 208 002.

Phones: Off. 9129869854, Mob : 09839035251, 09307929209

e-mail : rajani.ca@gmail.com

CERTIFICATE OF COMPLIANCE WITH THE CORPORATE GOVERNANCE

To the Members of Cityon Systems (India) Limited

We have examined the compliance of conditions of Corporate Governance by Cityon Systems (India) Limited (“the Company”), for the financial year ended on March 31, 2020 as per Regulations 17 to 27 and Clauses (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (“SEBI Listing Regulations”).

MANAGEMENT’S RESPONSIBILITY

The compliance of conditions of Corporate Governance is the responsibility of the Management. The Management’s responsibility includes the implementation of the Rules and Regulations and maintenance of the internal controls and procedures to comply with the conditions of the Corporate Governance stipulated in the SEBI Listing Regulations.

OUR RESPONSIBILITY

Our responsibility is limited to examining the procedure and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion, and to the best of our information and explanations given to us and representation made by the Directors and the Management, we certify that the Company has complied with all the conditions of Corporate Governance as stipulated in Regulation 17 to 27 and Clauses (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V of the SEBI Listing Regulations, as applicable, during the financial year ended on March 31, 2020.

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

RESTRICTIONS ON USE

This certificate is issued solely for the purpose of complying with the aforesaid Regulations and may not be suitable for any other purpose.

For RAJANI MUKESH & ASSOCIATES
CHARTERED ACCOUNTANTS

(C.A. MUKESH RAJANI)

Proprietor
Mem. No.: 073098

Place: Delhi

Date: 31.08.2020

UDIN: 20073098 AAAACU 8531



RAJANI MUKESH & ASSOCIATES

Chartered Accountants

503, PremRatanVatika,

7/180, Swaroop Nagar, Kanpur – 208 002.

Phones: Off. 9129869854, Mob : 09839035251, 09307925209

e-mail : rajani.ca@gmail.com

INDEPENDENT AUDITOR'S REPORT

To the Members of Cityon Systems India Limited, Delhi.

Report on the Financial Statements

We have audited the accompanying Financial Statements of **M/s Cityon Systems India Limited, 215, Delhi Chambers, Delhi Gate, Delhi** which comprise the Balance Sheet as at **31st March 2020**, and the statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant Accounting Policies and other explanatory information.

Management's responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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



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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of section 143(11) of the Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
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 appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement 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, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of written representations received from the directors as on 31 March, 2020, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2020, from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".



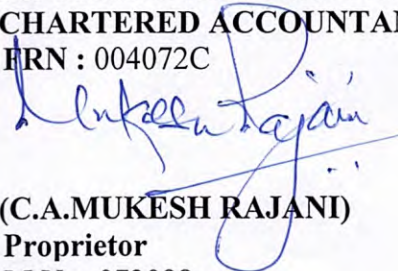
g) In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:

- 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 derivatives contracts for which there were any material foreseeable losses.
- iii) As informed by the company, there were no amounts which required to be transferred by the Company to the Investor Education and Protection Fund.

PLACE: DELHI
DATE:27.06.2020



For RAJANI MUKESH & ASSOCIATES,
CHARTERED ACCOUNTANTS,
ERN : 004072C


(C.A.MUKESH RAJANI)
Proprietor
M.No.:073098
PAN:AANPR6167J

"Annexure A" to the Independent Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements of the Company for the year ended March 31, 2020:

(i) In respect of its fixed assets:

- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
- (b) As explained to us, fixed assets have been physically verified by the management during the year in accordance with the phased programme of verification adopted by the management which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) No immovable properties are held by the Company, so this clause of the Order is not applicable.

(ii) In respect of its inventory:

- (a) As explained to us, the inventories of finished goods, semi-finished goods, stores, spare parts and raw materials were physically verified at regular intervals/ (at the end of the year) by the Management. In case of inventories lying with third parties, certificates of stocks holding have been received. In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business. In our opinion and according to the information and explanations given to us, no material discrepancies were noticed on physical verification of stocks as compared to book records.

(iii) In respect of loans, secured or unsecured, granted to the parties covered in register maintained under section 189 of the Companies Act 2013:

According to the information and explanations given to us, the Company has not granted any loans to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013; and therefore paragraph 3(iii) of the Order is not applicable.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the requirements of section 185 and section 186 of the Companies Act, 2013.



- (v) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- (vi) As informed to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by 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), Investor Education and Protection Fund, Income-tax, Tax deducted at sources, Tax collected at source, Professional Tax, Sales Tax, value added tax (VAT), Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it, with the appropriate authorities.
- (b) According to the information and explanations given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institutions, banks and debenture holders.
- (ix) The company has not raised any money by way of initial public offer or further public offer and has not obtained any term loans during the year, so this para of the Order is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid and provided the managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Companies Act.
- (xii) The Company is not a Nidhi Company, so this para of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions with related parties are in compliance with section 177 and section 188 of the Companies Act, 2013 and all details have been disclosed in the Financial Statements as required by the applicable accounting standards.

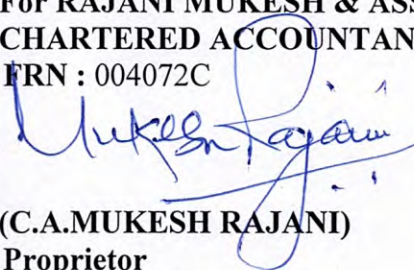


- (xiv) In our opinion and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully convertible debentures during the year under review, so this para of the Order is not applicable.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transaction with directors or person connected with him, so this para of the Order is not applicable.
- (xvi) The Company is not to be registered under section 45 IA of the Reserve Bank of India Act, 1934.

PLACE: DELHI
DATE: 27.06.2020



For RAJANI MUKESH & ASSOCIATES,
CHARTERED ACCOUNTANTS,
FRN : 004072C


(C.A.MUKESH RAJANI)
Proprietor
M.No.:073098
PAN:AANPR6167J

“Annexure B” to the Independent Auditor’s Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of CITYON SYSTEMS INDIA LIMITED (“the Company”) as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

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

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

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



Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting 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 issued by the Institute of Chartered Accountants of India”.

PLACE: DELHI
DATE: 27.06.2020



For RAJANI MUKESH & ASSOCIATES,
CHARTERED ACCOUNTANTS,

FRN : 004072C


(C.A.MUKESH RAJANI)

Proprietor

M.No.:073098

PAN:AANPR6167J

CITYON SYSTEMS (INDIA) LIMITED
215, DELHI CHAMBERS, DELHI GATE, DELHI-110 002
CIN : U72900DL2004PLC126096

BALANCE SHEET AS AT 31.03.2020

(In Rs.)

| Balance Sheet as at | Note | 31.03.2020 | 31.03.2019 |
|--------------------------------|------|--------------------|--------------------|
| EQUITY AND LIABILITIES | | | |
| Shareholders' funds | | | |
| Share capital | 2.1 | 171,263,600 | 171,263,600 |
| Reserves and surplus | 2.2 | 27,355,650 | 29,677,360 |
| | | 198,619,250 | 200,940,960 |
| Non-current liabilities | | | |
| Long-term borrowings | 2.3 | 90,372,425 | 90,372,425 |
| Deferred tax liabilities (Net) | 2.4 | 31,928 | 27,947 |
| | | 90,404,353 | 90,400,372 |
| Current liabilities | | | |
| Trade payables | 2.5 | 28,322,385 | 27,193,851 |
| Other current liabilities | 2.6 | - | 493,596 |
| Short-term provisions | 2.7 | 150,000 | 150,000 |
| | | 28,472,385 | 27,837,447 |
| TOTAL | | 317,495,988 | 319,178,780 |
| ASSETS | | | |
| Fixed Assets | | | |
| Tangible Assets | 2.8 | 26,207 | 26,207 |
| | | 26,207 | 26,207 |
| Non-current Assets | | | |
| Non-current investments | 2.9 | 56,771,122 | 56,771,122 |
| Deferred tax assets (net) | | - | - |
| Long-term loans and advances | 3.0 | 241,541,808 | 240,262,153 |
| Other non-current assets | 3.1 | 3,185,399 | 3,185,399 |
| | | 301,524,535 | 300,244,880 |
| Current assets | | | |
| Current investments | | - | - |
| Inventories | 3.2 | 130,680 | 408,540 |
| Trade receivables | 3.3 | 11,203,393 | 11,203,818 |
| Cash and cash equivalents | 3.4 | 1,612,850 | 425,841 |
| Other current assets | 3.5 | 3,024,529 | 6,895,700 |
| | | 15,971,453 | 18,933,899 |
| TOTAL | | 317,495,988 | 319,178,780 |

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

In terms of our attached report of even date

For Rajani Mukesh & Associates,

Chartered Accountants,

FRN : 004072C

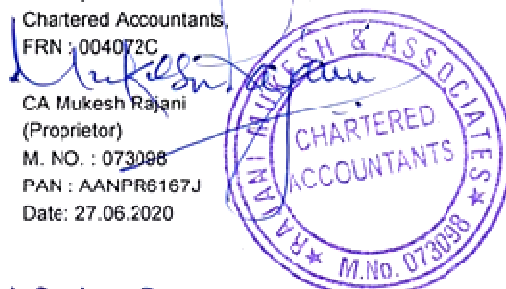
CA Mukesh Rajani

(Proprietor)

M. NO. : 073098

PAN : AANPR8167J

Date: 27.06.2020



For CITYON SYSTEMS (INDIA) LIMITED

Mukesh

Mukesh Kumar
(Managing Director)
(DIN : 06573251)

Gaya

Gaya Prasad Gupta
(Director)
(DIN : 00335302)

UDIN :- 20073098AAAACI7987

For Cityon Systems (India) Limited

For CITYON SYSTEMS (INDIA) LTD
[Signature]
CHIEF FINANCIAL OFFICER

[Signature]

(Radhika Jhunjhunwala)
Company Secretary

CITYON SYSTEMS (INDIA) LTD.
 215, DELHI CHAMBERS, DELHI GATE, DELHI-110 002
 CIN : U72900DL2004PLC126096

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2020

(In Rs.)

| Statement of Profit and Loss for the | Note | 31.03.2020 | 31.03.2019 |
|---|------|---------------------|----------------------|
| Revenue from operations | 3.6 | 4,295,175.31 | 25,671,532.66 |
| Other income | 3.7 | - | 885,496.00 |
| Total Revenue | | 4,295,175.31 | 26,557,028.66 |
| Expenses | | | |
| Purchases of Stock-in-Trade | 3.8 | 3,743,825.17 | 25,753,397.79 |
| (Increase)/Decrease in inventories of finished goods work-in-progress and Stock-in-Trade | 3.9 | 277,860.00 | 91,280.00 |
| Employee benefits expense | 4.0 | 1,344,000.00 | 1,490,000.00 |
| Finance costs | 4.1 | 6,083.80 | 1,101.90 |
| Depreciation and amortization expense | 4.2 | - | 1,390.01 |
| Other expenses | 4.3 | 1,241,136.00 | 1,056,299.00 |
| Total expenses | | 6,612,904.97 | 28,393,468.70 |
| Profit before prior period items and tax | | (2,317,729.66) | (1,836,440.04) |
| Prior Period Items | 4.4 | - | - |
| Profit before tax | | (2,317,729.66) | (1,836,440.04) |
| Tax expense: | 4.5 | | |
| Current tax | | - | - |
| Deferred tax | | 3,980.80 | 4,282.48 |
| Profit (Loss) for the period from continuing operations | | (2,321,710.46) | (1,840,722.52) |
| Tax expense of discontinuing operations | | - | - |
| Profit/(loss) from Discontinuing operations (after tax) | | - | - |
| Profit (Loss) for the period | | (2,321,710.46) | (1,840,722.52) |
| Earnings per equity share: | 4.6 | | |
| Basic | | (0.14) | (0.11) |
| Diluted | | (0.14) | (0.11) |

In terms of our attached report of even date

For Rajani Mukesh & Associates,

Chartered Accountants,

FRN : 004072C

CA Mukesh Rajani

(Proprietor)

M. NO. : 073098

PAN : AANPR6167J

Date: 27.06.2020



For CITYON SYSTEMS (INDIA) LIMITED

Mukesh

Mukesh Kumar
(Managing Director)
(DIN : 06573251)

Gaya Prasad Gupta

Gaya Prasad Gupta
(Director)
(DIN : 00335302)

For CITYON SYSTEMS (INDIA) LTD

[Signature]
CHIEF FINANCIAL OFFICER

For Cityon Systems (India) Limited

[Signature]

(Radhika Jhunjhunwala)
Company Secretary

NOTES ON ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2020

2.1 Share Capital

| Particular | In ` Rs | |
|--|----------------|----------------|
| | 31.3.2020 | 31.03.2019 |
| Authorised | | |
| 24000000 (24000000) Equity Shares of ` 10/- Par Value | 240,000,000.00 | 240,000,000.00 |
| | 240,000,000.00 | 240,000,000.00 |
| Issued | | |
| 17126360 (17126360) Equity Shares of ` 10/- Par Value | 171,263,600.00 | 171,263,600.00 |
| | 171,263,600.00 | 171,263,600.00 |
| Subscribed | | |
| 17126360 (17126360) Equity Shares of ` 10/- Par Value | 171,263,600.00 | 171,263,600.00 |
| | 171,263,600.00 | 171,263,600.00 |
| Paid-up | | |
| 17126360 Equity Shares of ` 10/- Par Value Fully Paid-up | 171,263,600.00 | 171,263,600.00 |
| | 171,263,600.00 | 171,263,600.00 |

Holding More Than 5%

| Particular | 31.03.2020 | % Held | 31.03.2019 | % Held |
|-------------------------------------|--------------|--------|--------------|--------|
| ANKUR AGARWAL | 2,950,788.00 | 17.23 | 2,950,788.00 | 17.23 |
| MUKESH KUMAR | 2,687,332.00 | 15.69 | 2,687,332.00 | 15.69 |
| CITYON NANO TECHNOLOGY P. LTD. | 1,154,000.00 | 6.74 | 1,107,600.00 | 6.47 |
| NIRBHARANT MANAGEMENT CONS. P. LTD. | 994,200.00 | 5.81 | 991,400.00 | 5.79 |

2.2 Reserve and Surplus

| Particular | 31.03.2020 | 31.03.2019 |
|--|----------------|----------------|
| Capital Reserve – Opening | 10,000,000.00 | 10,000,000.00 |
| Addition | - | - |
| Deduction | - | - |
| | 10,000,000.00 | 10,000,000.00 |
| Securities Premium Opening | 18,855,440.00 | 18,855,440.00 |
| | 18,855,440.00 | 18,855,440.00 |
| Profit and Loss Opening | 821,920.28 | 2,662,642.80 |
| Amount Transferred From Statement of P&L | (2,321,710.46) | (1,840,722.52) |
| Appropriation and Allocation | | |
| Others | - | - |
| | (1,499,790.18) | 821,920.28 |
| | 27,355,649.82 | 29,677,360.28 |

2.3 Long Term Borrowings

| Particular | 31.03.2020 | 31.03.2019 |
|------------------------------------|---------------|---------------|
| Others | | |
| Unsecured | | |
| BIG BROKER HOUSE STOCKS LTD. | 720,881.00 | 720,881.00 |
| CITYON SOLAR LTD. | 16,228,342.00 | 16,228,342.00 |
| NIKKI GLOBAL FINANCE LTD. | 825,000.00 | 825,000.00 |
| AUTEM CONSULTANCY SERVICES LIMITED | 19,500,000.00 | 19,500,000.00 |
| RICH UDYOG NETWORK LTD. | 49,178,202.00 | 49,178,202.00 |
| KPK FINANCE CONSULTANCY PVT. LTD | 3,920,000.00 | 3,920,000.00 |
| | 90,372,425.00 | 90,372,425.00 |



NOTES ON ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2020

2.4 Deferred Taxes

| Particular | 31.03.2020 | 31.03.2019 |
|--------------------------|------------------|------------------|
| Deferred Tax Liabilities | 31,927.80 | 27,947.00 |
| | 31,927.80 | 27,947.00 |

2.5 Trade Payables

| Particular | 31.03.2020 | 31.03.2019 |
|--|----------------------|----------------------|
| Creditors Due others | | |
| CITYON NANO TECHNOLOGY PVT. LTD. (TRADING A/c) | 7,455,719.00 | 7,455,719.00 |
| SKYLINE FINANCIAL SERVICES PVT. LTD. | 283,223.00 | 65,689.00 |
| SHASHWAT AGARWAL | 12,947,375.00 | 12,947,375.00 |
| SUDHIR AGARWAL | 6,699,850.00 | 6,699,850.00 |
| SHREE NEELKANTH BUILDERS | 25,218.00 | 25,218.00 |
| MANJU RANI AGARWAL | 500,000.00 | - |
| NEW E WORLD SERVICES LTD | 411,000.00 | - |
| | 28,322,385.00 | 27,193,851.00 |

2.6 Other Current Liabilities

| Particular | 31.03.2020 | 31.03.2019 |
|------------------|------------|-------------------|
| Others | | |
| TDS PAYABLE | - | - |
| UCO BANK A/C NO. | - | 493,596.24 |
| YES BANK A/c No. | - | - |
| | - | 493,596.24 |

2.7 Short Term Provisions

| Particular | 31.03.2020 | 31.03.2019 |
|----------------------------|-------------------|-------------------|
| Others | | |
| AUDIT FEES PAYABLE PAYABLE | 25,000.00 | 25,000.00 |
| SALARY PAYABLE | 125,000.00 | 125,000.00 |
| PROVISION OF INCOME TAX | - | - |
| | 150,000.00 | 150,000.00 |

2.9 Non-current investments

| Particular | 31.03.2020 | 31.03.2019 |
|--|----------------------|----------------------|
| Investments in Equity Instruments | | |
| BANSAL SUPP P LTD. | 225,000.00 | 225,000.00 |
| BIG BROKERS HOUSE STOCKS LTD. | 2,000,000.00 | 2,000,000.00 |
| CITYON INFRASTRUCTURE | 1,795,500.00 | 1,795,500.00 |
| CITYON NANO | 1,500,000.00 | 1,500,000.00 |
| DEV BHOOMI PROMOTERS & DEVELOPERS P.LTD. | 1,000,000.00 | 1,000,000.00 |
| GOLD COINS | 232,622.00 | 232,622.00 |
| KUNDAN CASTING P.LTD. | 10,000,000.00 | 10,000,000.00 |
| NEW E WORLD SERVICES LTD. | 600,000.00 | 600,000.00 |
| NIRBHARANT MANAGEMENT | 10,968,000.00 | 10,968,000.00 |
| PRISM HOUSING PVT. LTD. | 9,450,000.00 | 9,450,000.00 |
| AUTEM CONSULTANCY SERVICES LIMITED | 2,000,000.00 | 2,000,000.00 |
| RICH UDYOG NETWORK LTD. | 2,000,000.00 | 2,000,000.00 |
| SIGMA CASTING LTD. | 15,000,000.00 | 15,000,000.00 |
| | 56,771,122.00 | 56,771,122.00 |



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

2.8 Tangible assets

| Block of Assets / Asset Group | Rate | Gross Block | | | | Depreciation | | | | Net Block | | | |
|--|--------|-------------------|-----------|---------|-------------------|-------------------|--------|--------------|-----------------|-----------|-------------------|------------------|------------------|
| | | 1.4.2019 | | 31.3.20 | | 1/4/2019 | | For the Year | | 3/31/2020 | | 3/31/2020 | |
| | | Rupees | Additions | Rupees | Sale/Adj. | Rupees | Rupees | Rupees | Rupees | Rupees | Rupees | Rupees | Rupees |
| COMPUTERS AND DATA PROCESSING UNITS | | | | | | | | | | | | | |
| COMPUTER | - | 365,834.00 | - | - | 365,834.00 | 363,503.00 | - | - | - | - | 363,503.00 | 2,331.00 | 2,331.00 |
| Total (Block) | | 365,834.00 | | | 365,834.00 | 363,503.00 | | | | | 363,503.00 | 2,331.00 | 2,331.00 |
| OFFICE EQUIPMENT | | | | | | | | | | | | | |
| AIR CONDITIONER | - | 102,513.00 | - | - | 102,513.00 | 97,388.00 | - | - | - | - | 97,388.00 | 5,125.00 | 5,125.00 |
| OFFICE EQUIPMENT | - | 271,817.00 | - | - | 271,817.00 | 259,925.00 | - | - | - | - | 259,925.00 | 11,892.00 | 11,892.00 |
| Total (Block) | | 374,330.00 | | | 374,330.00 | 357,313.00 | | | | | 357,313.00 | 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 | 22,303.14 | - | - | - | - | 22,303.14 | 2,952.42 | 2,952.42 |
| Total (Asset Group) | | 85,903.00 | | | 85,903.00 | 77,975.01 | | | | | 77,975.01 | 5,883.55 | 5,883.55 |
| 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) | | 105,403.00 | | | 105,403.00 | 96,500.01 | | | | | 96,500.01 | 6,858.55 | 6,858.55 |
| Grand Total | | 845,567.00 | | | 845,567.00 | 817,316.01 | | | | | 817,316.01 | 26,206.55 | 26,206.55 |
| Previous Year | | 845,567.00 | | | 845,567.00 | 817,316.01 | | | 1,390.01 | | 817,316.01 | 26,206.55 | 26,206.55 |



NOTES ON ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2020

3.0 Long-term loans and advances

| Particular | 31.03.2020 | 31.03.2019 |
|---|-----------------------|-----------------------|
| Loans and advances to others | | |
| Unsecured considered good | | |
| ABHIGYAN PRAKASH | 200,000.00 | 200,000.00 |
| AXIS EDUCATIONAL SOCIETY | 19,000,000.00 | 19,000,000.00 |
| BISHAN LAL SHIVHARE | 2,000,000.00 | 2,000,000.00 |
| DAUJEE ABHUSHAN BHANDAR PVT. LTD. | 12,900,000.00 | 12,900,000.00 |
| DEEPAK SEHGAL | (53,300.00) | 10,000,000.00 |
| DELUX PETRO CHEM IN | 200,000.00 | 200,000.00 |
| DEV BHOOMI PROMOTERS & DEVELOPERS PVT.LTD | 5,000,000.00 | 5,000,000.00 |
| HD STEELS | 500,000.00 | 500,000.00 |
| HOME LINKERS PVT. LTD. | 12,500,000.00 | 12,500,000.00 |
| HORIZON PORTFOLIO LTD. | 1,300,000.00 | 1,300,000.00 |
| KAMIA MULHOTRA | 5,000,000.00 | 5,000,000.00 |
| KAVITA AGARWAL | 2,000,000.00 | 2,000,000.00 |
| MAA VINDHYAVASINI TOBACCO PVT. LTD. | 5,000,000.00 | 5,405,000.00 |
| MANI SONI | 3,000,000.00 | 3,000,000.00 |
| MI BUILDERS LTD. | 6,500,000.00 | 6,500,000.00 |
| MONAL INFRATECH | 5,720,000.00 | 5,720,000.00 |
| NEELAM MISHRA | 2,000,000.00 | 2,000,000.00 |
| NIRBHARANT AGARWAL | 876,480.00 | 876,480.00 |
| PANKAJ PURI | 300,000.00 | 300,000.00 |
| PARMARTH IRON PVT. LTD. | 5,000,000.00 | 5,000,000.00 |
| QADIRYA & ASSOCIATES P.LTD. | 10,000,000.00 | 10,000,000.00 |
| RAC TECHNOLOGIES | 1,000,000.00 | 1,000,000.00 |
| RAHUL MEHTA | 200,000.00 | 200,000.00 |
| RAJ KAPOOR | 1,000,000.00 | 1,000,000.00 |
| REWA CHEMICALS PVT. LTD. | 3,526,750.00 | 3,526,750.00 |
| RICH UNIVERSE NETWORK LTD | 65,379,155.00 | 64,594,500.00 |
| SAFARI CHEMICALS PVT. LTD. | 3,500,000.00 | 3,500,000.00 |
| SANJAY TANDON | 200,000.00 | 200,000.00 |
| SANJAY TANDON HUF | 2,000,000.00 | 2,000,000.00 |
| SARITA JAIN | 2,000,000.00 | 2,000,000.00 |
| SHIVA SHEESHAM MARKETING P LTD. | 7,000,000.00 | 7,000,000.00 |
| SHREYA STOCK & SHARES BROKING PVT. LTD. | 275,000.00 | 275,000.00 |
| SMN ASHWINI | 2,000,000.00 | 2,000,000.00 |
| SMN KISHORE BABU | 1,000,000.00 | 1,000,000.00 |
| SUJEET KUMAR SRIVASTAVA | 2,500,000.00 | 2,500,000.00 |
| VISHAL MALHOTRA | 800,000.00 | 800,000.00 |
| VISHWADOOT EDUCATIONAL TRUST | 8,000,000.00 | 8,000,000.00 |
| ZENO TRADERS AND SERVICES LIMITED | 20,607,000.00 | 20,607,000.00 |
| SHREE MAHALAXMI COMMODITY | 8,700,000.00 | 8,700,000.00 |
| REWA REFINERY PVT. LTD. | 1,000,000.00 | 1,000,000.00 |
| STRAIT CHEM (FZE) | 830,193.00 | 830,193.00 |
| JAY INDUSTRIES | 127,230.00 | 127,230.00 |
| BASOS INFRA GLOBE LIMITED | 900,000.00 | - |
| GOODS RECEIVED UNDER SETTLEMENT | 10,053,300.00 | - |
| | 241,541,808.00 | 240,262,153.00 |



NOTES ON ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2020

3.1 Other non-current assets

| Particular | 31.03.2020 | 31.03.2019 |
|--|---------------------|---------------------|
| Trade Receivable | | |
| Unsecured Considered Good | | |
| Others | | |
| EARNEST MONEY | 425,033.00 | 425,033.00 |
| TDS A.Y. 2019-18 | 46,904.00 | 46,904.00 |
| TDS A.Y. 2020-19 | 77,189.80 | 77,189.80 |
| TDS A.Y. 2020-20 | 54,588.00 | 54,588.00 |
| INPUT SCGT AND CGST | 23,760.00 | 23,760.00 |
| VAT A/C DELHI | 72,048.00 | 72,048.00 |
| ADVANCE FOR SHOPMETRO | 100,000.00 | 100,000.00 |
| SECURITY DEPOSIT ADJUSTABLE (RENT A/C) | 865,555.00 | 865,555.00 |
| SECURITY DEPOSIT FIXED (RENT A/C) | 855,000.00 | 855,000.00 |
| TAX ON REGULAR ASSESSMENT F.Y. 2011-12 (UNDER PROTEST) | 665,320.86 | 665,320.86 |
| | 3,185,398.66 | 3,185,398.66 |

3.2 Inventories

| Particular | 31.03.2020 | 31.03.2019 |
|---------------|-------------------|-------------------|
| Others | | |
| Other | 130,680.00 | 408,540.00 |
| | 130,680.00 | 408,540.00 |

3.3 Trade receivables

| Particular | 31.03.2020 | 31.03.2019 |
|--|----------------------|----------------------|
| Trade Receivable | | |
| Unsecured considered good | | |
| Within Six Months | | |
| BANSAL SUPPLIERS (TRADING A/c) | 9,720,483.80 | 9,720,483.80 |
| HORIZON PORTFOLIO LTD. | 68,819.56 | 69,244.42 |
| NIRBHARANT MANAGEMENT CONSULTANTS PVT. LTD | 1,394,090.00 | 1,394,090.00 |
| PRAKASH YADAV | 20,000.00 | 20,000.00 |
| | 11,203,393.36 | 11,203,818.22 |

3.4 Cash and cash equivalents

| Particular | 31.03.2020 | 31.03.2019 |
|-------------------------------------|---------------------|-------------------|
| Cash in Hand | 1,552,698.20 | 341,141.20 |
| Balances With Banks | | |
| Balance With Scheduled Banks | | |
| Current Account | | |
| UCO BANK A/C NO. | 6,403.76 | - |
| YES BANK A/C NO. | - | 45,000.00 |
| RBL BANK A/C NO. | - | 39,700.00 |
| CANARA BANK A/C | 53,748.20 | - |
| | 1,612,850.16 | 425,841.20 |



NOTES ON ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2020

3.5 Other Current Assets

| Particular | 31.03.2020 | 31.03.2019 |
|--------------------------------------|---------------------|---------------------|
| Advance to supplier | | |
| STAR ENTERPRISES | - | 3,875,000.00 |
| Other Advances | | |
| NATIONAL DEPOSITORY SERVICES LIMITED | 24,529.00 | 20,700.00 |
| SUDHIR AGARWAL (HUF) | 3,000,000.00 | 3,000,000.00 |
| | 3,024,529.00 | 6,895,700.00 |

3.6 Revenue from operations

| Particular | 31.03.2020 | 31.03.2019 |
|-------------------------|---------------------|----------------------|
| Sale of Products | | |
| Traded Goods | | |
| SALES (TAX INVOICE) | 3,281,215.00 | 338,000.00 |
| SALES OF SHARES | 1,013,960.31 | 25,333,532.66 |
| SALES (OTHER) | - | - |
| | 4,295,175.31 | 25,671,532.66 |

3.7 Other income

| Particular | 31.03.2020 | 31.03.2019 |
|--------------------------|------------|-------------------|
| Interest | | |
| INTEREST RECEIVED | - | 519,203.00 |
| PROVISIONS WRITTEN BACK | - | 340,000.00 |
| INTEREST RECEIVED ON FDR | - | 26,293.00 |
| Miscellaneous | | |
| M TO M | - | - |
| | - | 885,496.00 |

3.8 Purchases of Stock-in-Trade

| Particular | 31.03.2020 | 31.03.2019 |
|-----------------------|---------------------|----------------------|
| Stock in Trade | | |
| PURCHASE TAX INVOICE | 2,729,440.00 | 418,000.00 |
| PURCHASE OTHER | - | - |
| PURCHASE SHARE | 1,014,385.17 | 25,335,397.79 |
| | 3,743,825.17 | 25,753,397.79 |

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

| Particular | 31.03.2020 | 31.03.2019 |
|--------------------------|-------------------|-------------------|
| Opening | | |
| Other | 408,540.00 | 499,820.00 |
| | 408,540.00 | 499,820.00 |
| Closing | | |
| Other | 130,680.00 | 408,540.00 |
| | 130,680.00 | 408,540.00 |
| Increase/Decrease | | |
| Other | 277,860.00 | 91,280.00 |
| | 277,860.00 | 91,280.00 |

Details of Increase/Decrease in Inventory

| Particular | 31.03.2020 | 31.03.2019 |
|--------------------------------------|-------------------|------------------|
| Other | | |
| INCREASE / DECREASE IN CLOSING STOCK | 277,860.00 | 91,280.00 |
| | 277,860.00 | 91,280.00 |



NOTES ON ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2020

4.0 Employee benefits expense

| Particular | 31.03.2020 | 31.03.2019 |
|---------------------------------|---------------------|---------------------|
| Salary Wages & Bonus | | |
| SALARY A/C | 1,344,000.00 | 1,490,000.00 |
| | 1,344,000.00 | 1,490,000.00 |

4.1 Finance costs

| Particular | 31.03.2020 | 31.03.2019 |
|---------------------|-----------------|-----------------|
| Bank Charges | | |
| BANK CHARGES | 6,083.80 | 1,101.90 |
| | 6,083.80 | 1,101.90 |

4.2 Depreciation and amortisation expense

| Particular | 31.03.2020 | 31.03.2019 |
|--|------------|-----------------|
| Depreciation & Amortisation | | |
| Depreciation Tangible Assets | | |
| DEPRICIATION | - | 1,390.01 |
| | - | 1,390.01 |

4.3 Other expenses

| Particular | 31.03.2020 | 31.03.2019 |
|--|---------------------|---------------------|
| Administrative and General Expenses | | |
| Auditors Remuneration | | |
| AUDIT FEE | 25,000.00 | 25,000.00 |
| Selling Distribution Expenses | | |
| Advertising Promotional Expenses | | |
| ADVERTISEMENT & PUBLICITY EXP. | 7,056.00 | 7,056.00 |
| Other Expenses | | |
| ACCOUNTANCY CHARGES | - | - |
| COMPUTER EXP. | - | - |
| CONVEYANCE | 2,115.00 | 2,420.00 |
| DEMAT CHARGES | - | - |
| DEPOSITARY SERVICE CHARGES | 121,133.00 | 43,482.00 |
| ELECTRIC EXP. | 8,000.00 | 6,000.00 |
| GENERAL EXP. | - | - |
| LEGAL EXP. | 9,000.00 | 42,440.00 |
| LISTING FEES - BSE | 810,385.00 | 810,385.00 |
| MISC. EXP. A/C | - | - |
| OFFICE EXPENSES | 1,740.00 | 113.00 |
| POSTAGE & TELEGRAM | 928.00 | 790.00 |
| PRINTING & STATIONARY | 3,290.00 | 3,100.00 |
| REPAIR & MAINTENANCE | 1,410.00 | 550.00 |
| ROC EXPENSES | - | - |
| RENT | 24,000.00 | 24,000.00 |
| SHARE TRANSFER & REGISTRATION EXP | 221,974.00 | 82,278.00 |
| TELEPHONE EXP. | 5,105.00 | 1,035.00 |
| TRAVELLING EXPS. | - | - |
| WEBSITE MAINTENANCE CHARGES | - | - |
| AGM Expenses | - | 7,650.00 |
| | 1,241,136.00 | 1,056,299.00 |



NOTES ON ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2020

4.4 Prior Period items

| Particular | 31.03.2020 | 31.03.2019 |
|---------------------|------------|------------|
| Prior Period Income | - | - |
| | - | - |

4.5 Tax expense

| Particular | 31.03.2020 | 31.03.2019 |
|---------------------------|------------|------------|
| Current tax | - | - |
| PROVISION FOR CURRENT TAX | - | - |
| | - | - |

4.6 Earnings per equity share

| Particular | 31.03.2020 | 31.03.2019 |
|---|---------------|---------------|
| Earnings Per Equity Share | | |
| Basic | | |
| Basic EPS Before Extra Ordinary Item | (0.14) | (0.11) |
| Diluted | | |
| Diluted EPS Before Extra Ordinary Item | (0.14) | (0.11) |
| Number of Shares used in computing EPS | | |
| Basic | 17,126,360.00 | 17,126,360.00 |
| Diluted | 17,126,360.00 | 17,126,360.00 |
| Weighted Average Number of shares | | |
| Number of Shares for basic EPS calculation | | |
| Number of shares for dilutive calculation | 17,126,360.00 | 17,126,360.00 |

In terms of our attached report of even date

For Rajani Mukesh & Associates,

Chartered Accountants,

FRN : 004072C

CA Mukesh Rajani

(Proprietor)

M. NO. : 073098

PAN : AANPR6167J

Date: 27.06.2020



For CITYON SYSTEMS (INDIA) LIMITED

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

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

CITYON SYSTEMS (INDIA)LIMITED

215, DELHI CHAMBERS, DELHI GATE, DELHI-110 002

CIN : U72900DL2004PLC126096

| Deferred Tax Asset/Liability Calculation | Amount Rs. |
|---|------------|
| Depreciation as Per Co's Act | - |
| Depreciation as Per IT Act | 15,311 |
| Timing Difference | 15,311 |
| Tax on the Above @ 25% | 3,828 |
| Add: Education cess @ 4% | 153 |
| Deferred Tax Liability (A) | 3,981 |
| Timing Difference for Expense - Sec.40a(ia) - Expenses allowable in future years | |
| Timing Difference - Sec.43B | 0 |
| Tax on the Above @ 25% | 0 |
| Add : Surcharge @ 5% | 0 |
| Add : Education @ 3% | 0 |
| Deferred Tax Asset (B) | 0 |
| Opening Deferred Tax Liability | 27,947 |
| Less: Current Year (Net) | 3,981 |
| Deferred Tax Liability | 31,928 |



CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March, 2020

| | For the year Ended 31, March 2020 Amount (Rs.) | For the year Ended 31, March 2019 Amount (Rs.) |
|--|--|--|
| Cash flows from operating activities | | |
| Net Profit as per Profit & Loss A/c | (2,317,730) | (1,836,440) |
| Adjustments for : | | |
| Depreciation | - | 1,390 |
| Other Adjustments | - | - |
| Income Tax | - | - |
| Operation profit before working capital changes | (2,317,730) | (1,835,050) |
| Change in Current Assets:- | | |
| Decrease (Increase) in Trade & Other Receivables | 425 | 6,972,655 |
| Decrease (Increase) in Inventory | 277,860 | 91,280 |
| Decrease (Increase) in Loans & Advances | - | - |
| Decrease (Increase) in Other Assets | - | - |
| Change in Current Liabilities:- | | |
| Increase (Decrease) in Trade Payable | 1,128,534 | (214,788) |
| Increase (Decrease) in Other Cur. Liabilities | (493,596) | (122,653) |
| Increase (Decrease) in provisions | - | (377,251) |
| (Increase) Decrease in Other Cur. Assets | 3,871,171 | 1,204,360 |
| NET CASH FROM OPERATING ACTIVITIES | 2,466,664 | 5,718,553 |
| Cash flows from investing activities | | |
| (Purchase) / Sale of Investment | - | - |
| Purchase of fixed Assets | - | - |
| Sale of fixed Assets | - | - |
| NET CASH FROM INVESTING ACTIVITIES | - | - |
| Cash flows from Financing activities | | |
| Increase / (Repayment) of Secured/unsecured loans | - | (5,177,780) |
| Proceed from Loans & Advances | (1,279,655) | (196,000) |
| (Increase) / Repayment of Non Current Assets | - | (44,622) |
| Preliminary Expenses incurred | - | - |
| Increase from issue of Fresh capital | - | - |
| NET CASH FROM FINANCING ACTIVITIES | (1,279,655) | (5,418,402) |
| Net increase(Decrease) in cash and cash equivalents | 1,187,009 | 300,151 |
| Cash and Cash equivalents beginning of year | 425,841 | 125,690 |
| Cash and Cash equivalents at end of year | 1,612,850 | 425,841 |

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 Rajani Mukesh & Associates

Chartered Accountants,

FRN : 004072C

CA Mukesh Rajani

(Proprietor)

M. NO. : 073098

PAN : AANPR6167J

Date: 27.06.2020



For CITYON SYSTEMS (INDIA) LIMITED

Mukesh Kumar

(Managing Director)

(DIN : 06573251)

Gaya Prasad Gupta

(Director)

(DIN : 00335302)

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