

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ITI WEALTH MANAGEMENT PVT. LTD.
(Formerly known as SHARYANS WEALTH MANAGEMENT PVT. LTD).

Report on the financial statements

We have audited the accompanying financial statements of ITI WEALTH MANAGEMENT PVT. LTD. (Formerly known as SHARYANS WEALTH MANAGEMENT PVT. LTD.), which comprise the balance sheet as at 31st March 2013, 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

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance and cash flow of the company in accordance with the accounting principles generally accepted in India, including accounting standard referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ('the Act'). This responsibility includes the design, implementation and maintenance of internal control 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 conducted our audit in accordance with the Standard on Auditing issued by the Institute of Chartered Accountants of India. 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 the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers Internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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 opinion.

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Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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.

- a) In the case of the balance sheet, of the state of affairs of the company as at 31st March 2013;
- b) In the case of the statement of profit and loss, of the loss for the year ended on that date, and
- c) In the case of the cash flow statement, of the cash flows for the year ended on that date.

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ('the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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, statement of Profit and Loss and cash flow statement dealt with by this report are in agreement with books of account.
 - d. In our opinion, the balance sheet, statement of profit and loss and cash flow statement comply with the accounting standard referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - e. On the basis of written representation received from the directors as on 31st March 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956

For **Kirtane & Pandit**
Chartered Accountants
Firm Registration No: 105215W


Chandrashekhar

Partner

Membership No: 42376

Place: Mumbai

Date: 25th April 2013



Annexure referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date

Re: ITI WEALTH MANAGEMENT PVT. LTD.

- I. The Company does not have any Fixed Assets.
- II. a. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly the provisions of clause 4(iii)(e) to (g) of the order are not applicable to the Company and hence not commented upon.
b. According to information and explanations given to us, the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act 1956. Accordingly, the provisions of clause 4(iii)(e) to (g) of the Order are not applicable to the Company and hence not commented upon.
- III. In our opinion and according to the information and explanation given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for sale of services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.
- IV. In our opinion and according to the information and explanations given to us, there are no transactions of purchase of goods and materials and sale of goods, materials and services made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Act and aggregating during the period to Rs.500,000/- or more in respect of each party.
- V. As the Company has not accepted any deposits from the public, paragraph 4(vi) of the Order is not applicable.
- VI. In our opinion, the Company has an internal audit system commensurate with its size and nature of business.
- VII. a. As explained to us, the statutory dues of the Company comprise of Income-Tax, Service Tax, if any, and other material statutory dues. According to the records of the Company and information and explanations given to us, the Company is generally regular in depositing the aforesaid undisputed statutory dues with the appropriate authorities.
b. According to the information and explanations given to us, no undisputed amounts payable in respect of Income-Tax, Service Tax, if any, and other material statutory dues were outstanding at the year end for a period of more than six months from the date they become payable.



- c. According to the records of the Company, no dues are outstanding of Income-Tax, Service tax, if any, and other material statutory dues on account of any dispute.
- VIII. The Company has positive net worth at the end of the financial year. The Company has accumulated losses at the end of the financial year and it has incurred cash losses in the current and immediately preceding financial year.
- IX. Based on our audit procedures and as per the information and explanations given by the management, the Company has not taken any loans from banks and financial institutions and has not issued debentures.
- X. According to the information and explanations given to us and based on the documents and records produced before us, investments are held by the Company in its own name. Also, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Hence, paragraph 4(xii) of the Order is not applicable.
- XI. According to the Information and Explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- XII. Based on the information & explanations given to us by the management, the Company has not taken any term loan during the year ended March 31, 2013.
- XIII. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- XIV. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year ended March 31, 2013.
- XV. In view of the nature of the activities carried by the Company, Clause (xiii) of Companies (Auditors' Report) Order, 2003 is not applicable to the Company. Further in view of the absence of conditions prerequisite to the reporting requirements of clauses (ii), (viii), (xviii), (xix), and (xx) the said clauses are at present not applicable.

For Kirtane & Pandit
Chartered Accountants
Firm Registration No: 105215W


Chandrashekhar

Partner

Membership No: 42376

Place: Mumbai

Date: 25th April 2013



ITI WEALTH MANAGEMENT PVT LTD
(FORMERLY KNOWN AS SHARYANS WEALTH MANAGEMENT PRIVATE LIMITED)

BALANCE SHEET AS ON 31/03/2013

PARTICULARS	NOTE NO.	31/03/2013		31/03/2012	
		Rs	Rs	Rs	Rs
<u>I. EQUITY AND LIABILITIES</u>					
<u>Shareholders Funds</u>					
Share Capital	1		42,500,000		42,500,000
Reserves and Surplus	2		(15,604,291)		(14,738,472)
			26,895,709		27,761,528
<u>Current Liabilities</u>					
Other Current Liabilities	3		44,185		48,881
Short Term Provisions	4		-		157,663
			44,185		206,544
TOTAL			26,939,894		27,968,072
<u>II. ASSETS</u>					
<u>Non-Current Assets</u>					
Non-Current Investments	5		24,690,195		24,690,195
Deferred Tax Assets (Net)			1,367,394		812,664
			26,057,589		25,502,859
<u>Current Assets</u>					
Trade Receivables	6		119,605		66,961
Cash and Cash Equivalents	7		268,036		2,287,488
Short Term Loans and Advances	8		494,664		110,764
			882,305		2,465,213
TOTAL			26,939,894		27,968,072

Significant Accounting Policies
Notes on Financial Statements

1 to 16

As per our Report of even date
For Kirtane & Pandit
Chartered Accountants
Firm Registration No: 105215W

Chandrashekhar
Chandrashekhar
Partner

Membership No. 42376

Date: 25/04/2013

Place : Mumbai



For & on behalf of the Board

Vijay Choraria *Lancelot D'cunha*

Vijay Choraria
Director

Lancelot D'cunha
Director

ITI WEALTH MANAGEMENT PVT LTD
(FORMERLY KNOWN AS SHARYANS WEALTH MANAGEMENT PRIVATE LIMITED)

Statement of Profit & Loss for the Year ended 31/03/2013

PARTICULARS	NOTE NO.	31/03/2013		31/03/2012	
		Rs	Rs	Rs	Rs
INCOME					
Revenue from Operations	9		1,815,981		1,440,545
Other Income	10		95,678		352,448
Total Revenue			1,911,659		1,792,993
EXPENDITURE					
Employee Benefits Expenses	11		3,186,475		3,186,816
Amortization Expense			-		212,500
Other Expenses	12		780,670		986,806
Total expenses			3,967,145		4,386,122
Profit Before Tax			(2,055,486)		(2,593,129)
Tax Expense					
Current Tax			-		-
Mat Credit			-		-
Earlier Years Tax/ Provisions			634,937		15,020
Deferred Tax			554,730		788,042
Profit / (Loss) for the Period			(865,819)		(1,790,067)
Earning Per Equity Share					
Basic & Diluted			(0.20)		(0.55)

Significant Accounting Policies
Notes on Financial Statements

1 to 16

As per our Report of even date
For Kirtane & Pandit
Chartered Accountants
Firm Registration No: 105215W


Chandrashekhar
Partner
Membership No. 42376
Date: 25/04/2013
Place : Mumbai



For & on behalf of the Board


Vijay Choraria
Director


Lancelot D'cunha
Director

Significant Accounting policies:

Basis of preparation of financial statements:

The financial statements have been prepared under the historical cost convention on an accrual basis in accordance with the generally accepted accounting principles in India, provisions of the Companies Act, 1956 and in conformity with mandatory Accounting standards issued by The Institute of Chartered Accountants of India.

Use of Estimates:

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/materialised.

Provisions for Current and Deferred Tax:

Provision for current tax if any, is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961. Deferred tax resulting from "timing difference" between book and taxable profit is accounted for using the tax rates and laws that have been enacted as on the Balance Sheet date.

Provision, Contingent Liabilities and Contingent Assets:

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are recognised but are disclosed in the notes. Contingent assets are neither recognised nor disclosed in the financial statements.

Impairment of Assets:

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Profit and Loss account in the year in which an asset is identified as impaired. The impairment loss is recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amounts.

Investments:

Long term Investments are valued at Cost. Provision for diminution in the value of long term investments is made only if such a decline is other than temporary.

Revenue Recognition:

Fees income including advisory fees, other fees is accounted for on accrual basis in accordance with the terms and contracts entered into between the Group and the counterparty.

Brokerage income on mutual funds is recognised as revenue inclusive of service tax.

Interest income is recognised on accrual basis.

Dividend income is recognised when the right to receive payment is established.

Figures of the previous year have been regrouped and/or rearranged wherever necessary.



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ITI WEALTH MANAGEMENT PVT LTD
(FORMERLY KNOWN AS SHARYANS WEALTH MANAGEMENT PRIVATE LIMITED)

NOTES TO AND FORMING PART OF BALANCE SHEET AS ON 31/03/2013

PARTICULARS	31/03/2013		31/03/2012	
	Rs.	Rs.	Rs.	Rs.
NOTE 1: SHARE CAPITAL				
Authorised: 50,00,000 (P.Y.50,00,000) Equity Shares of Rs.10/- each		50,000,000		50,000,000
Issued, Subscribed and fully paid up 42,50,000 (P.Y.42,50,000) Equity Shares of Rs.10/- each fully paid up (All the above equity shares are held by ITI Capital Holdings Private Ltd, the holding Company including 1 equity share jointly held with an individual)		42,500,000		42,500,000
		42,500,000		42,500,000
Details of Shareholders holding more than 5% shares	No.of Shares	%	No.of Shares	%
ITI Capital Holdings Pvt Ltd	4,250,000	100	4,250,000	100
Reconciliation of Share Capital	No.of Shares	Rs.	No.of Shares	Rs.
Shares at the beginning of Accounting Period 42,50,000 (P.Y.22,50,000) Equity Shares of Rs.10/- each fully paid up	4,250,000	42,500,000	2,250,000	22,500,000
Additions during the Year NIL (P.Y.20,00,000) Equity Shares of Rs.10/- each fully paid up	-	-	2,000,000	20,000,000
Shares at the end of Accounting Period 42,50,000(P.Y.42,50,000) Equity Shares of Rs.10/- each fully paid up	4,250,000	42,500,000	4,250,000	42,500,000
NOTE 2: RESERVES & SURPLUS				
Deficit in Statement of Profit and Loss A/c				
Opening Balance		(14,738,472)		(12,948,405)
Profit/(Loss) during the year		(865,819)		(1,790,067)
Closing Balance		(15,604,291)		(14,738,472)
TOTAL		(15,604,291)		(14,738,472)
NOTE 3: OTHER CURRENT LIABILITIES				
TDS Payable		20,700		25,450
Other Liabilities		23,485		23,431
TOTAL		44,185		48,881
NOTE 4: SHORT-TERM PROVISIONS				
Provision for Taxation (Net of Advance Tax)		-		157,663
TOTAL		-		157,663



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ITI WEALTH MANAGEMENT PVT LTD
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NOTES TO AND FORMING PART OF BALANCE SHEET AS ON 31/03/2013

PARTICULARS	31/03/2013		31/03/2012	
	Rs.	Rs.	Rs.	Rs.
NOTE 5: NON CURRENT INVESTMENTS				
(Long Term Other Investments)				
Quoted - Fully Paid up				
469900 (469900) Shares of Welspun Projects Ltd of Rs.10/- each		16,038,883		16,038,883
42000 (42000) Shares of Phoenix Mills Ltd of Rs.2/- each		8,651,311		8,651,311
(Market Value Rs.1,70,55,959/- P.Y Rs.2,33,76,400)				
TOTAL		24,690,195		24,690,195
NOTE 6: TRADE RECEIVABLES				
Debts outstanding for a period of Six months from the date they became due		-		-
Other Debts		119,605		66,961
TOTAL		119,605		66,961
NOTE 7: CASH & CASH EQUIVALENTS				
Balance with Banks				
<i>In Current Account</i>		249,945		2,263,107
Cash on Hand		18,091		24,381
TOTAL		268,036		2,287,488
NOTE 8: SHORT TERM LOANS & ADVANCES				
Loans to Employees		29,900		24,000
Balance with Government Authorities		164,632		86,764
Advance Tax (Net of Provisions)		300,132		-
TOTAL		494,664		110,764



ITI WEALTH MANAGEMENT PVT LTD
(FORMERLY KNOWN AS SHARYANS WEALTH MANAGEMENT PRIVATE LIMITED)

NOTES TO AND FORMING PART OF STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31/03/2013

PARTICULARS	31/03/2013		31/03/2012	
	Rs.	Rs.	Rs.	Rs.
NOTE 9: REVENUE FROM OPERATIONS				
Brokerage and Advisory Fees		1,815,981		1,440,545
		1,815,981		1,440,545
NOTE 10: OTHER INCOME:				
Interest on Fixed Deposits with Banks		-		342,522
Excess Provision Written Back		-		9,926
Interest on I.T. Refund		11,678		-
Dividend on Shares		84,000		-
		95,678		352,448
NOTE 11: EMPLOYEE BENEFITS EXPENSES				
Salary & Wages				
Staff salary		3,153,475		3,186,816
Stipend		33,000		-
		3,186,475		3,186,816
Note 12: OTHER EXPENSES				
Administrative Expenses				
Conveyance		18,004		13,321
Securities Transaction tax		-		30,794
Subscription/ Membership Fees		-		30,000
Rates & Taxes		2,500		2,500
Filing Fees		3,000		2,500
General Expenses		1,085		6,569
Software Charges		644,495		667,061
Business Promotion		2,753		-
Travelling Expenses		-		14,128
Payment to Auditors		16,854		16,854
Professional Charges		6,461		10,001
Printing & Stationery		1,200		26,684
Service Tax		40,794		122,415
Seminar & Conference Expenses		10,000		-
Telephone Expenses		33,524		43,980
		780,670		986,806
Note 13: Payment to Auditors as				
Auditor		14,045		14,045
For Other Services		2,809		2,809
		16,854		16,854



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ITI WEALTH MANAGEMENT PVT LTD
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NOTE 14: Deferred Taxes

The Company has recognised Deferred Tax income aggregating to Rs.5,54,730/- in the Profit & Loss Account for the year ending 31st March 2013. Components of Deferred Tax balance as on 31.03.2013 is as follows:

Particulars	2012-13	2011-12
Asset		
Opening Balance	812,664	24,622
Add: Tax effect on Losses & Disallowance	554,730	788,042
Total	<u>1,367,394</u>	<u>812,664</u>
Liability		
Total	-	-
Net Deferred Tax Asset	<u>1,367,394</u>	<u>812,664</u>

NOTE 15: EARNINGS PER SHARE (EPS)

	2012-13	2011-12
Net Profit as per Profit & Loss Account	(865,819)	(1,790,067)
Weighted Average number of equity shares used as denominator for calculating EPS	4,250,000	3,250,000
Basic and Diluted Earnings per share of face value of Rs.10/- each (Rs)	(0.20)	(0.55)

NOTE 16: Related party disclosures:

List of related parties and relationship

Party	Relationship	% Holding
Sharyans Resources Ltd	Ultimate Holding Co	-
ITI Capital Holdings Pvt Ltd	Holding Co	100%
ITI Securities Limited	Fellow Subsidiary	-
Prebon Yamane (India) Ltd	Fellow Subsidiary	-
ITI Financial Services Ltd	Fellow Subsidiary	-
Lancelot Dcunha	Key managerial Personnel	
Vijay Choraria	Key managerial Personnel	

Transactions with Related Parties

Turnover in respect of purchase and sale of shares through ITI Securities Limited Rs.NIL (P.Y. 2,47,20,989/-)
 Remuneration paid to Lancelot D'cunha, Director Rs.18,00,000/- (P.Y. 18,00,000/-)
 Demat Charges paid to ITI Financial Services Ltd Rs. 899/- (P.Y. 882/-)

As per our Report of even date

For Kirtane & Pandit
Chartered Accountants
 Firm Registration No: 105215W


 Chandrashekhar

Partner

Membership No. 42376

Date: 25/04/2013

Place : Mumbai



For & on behalf of the Board



Vijay Choraria
 Director



Lancelot D'cunha
 Director