

## DECOROUS INVESTMENT & TRADING COMPANY LIMITED

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### MOHAN & MOHAN

Chartered Accountants  
18A, 2nd Floor, North Avenue Road  
Punjabi Bagh (West), New Delhi – 110016  
Tele Fax No(s) : 91-11-47322696 / 47322697

### INDEPENDENT AUDITOR'S REPORT

#### TO THE MEMBERS OF DECOROUS INVESTMENT AND TRADING COMPANY LIMITED

##### Report on the Financial Statements

We have audited the accompanying financial statements of Decorous Trading and Investment Company Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information and the company is primarily in the business of gems & jewellery.

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

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

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

##### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters, which are required to be included in the audit report under the provisions of the Act, and the Rules made there under.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

##### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015,

## DECOROUS INVESTMENT & TRADING COMPANY LIMITED

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and its Profit & Loss A/c and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

As required by the companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143 (3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- 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 the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion & to the best of our information & according to the explanations given to us:
  - i. The Company does not have any pending litigations which would impact its financial position
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

**For MOHAN & MOHAN**  
**Chartered Accountants**  
**FRN: 002612N**

**Place: New Delhi**  
**Date : 25/05/2015**

**Adarsh Mohan**  
**Partner**  
**(M. No. 081491)**

**Annexure to the Auditors' Report**

The Annexure referred to in our Independent Auditor's Report to the members of **Decorous Investment and Trading Company Limited** for the year ended on 31.03.2015, We report that:

- (i) (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
  - (b) Fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the company and the nature of its assets.
- (ii) (a) Physical verification of inventory (gems & jewellery) has been conducted at reasonable intervals by the management;
  - (b) Procedures of physical verification of inventory followed by the management are reasonable and Adequate in relation to the size of the company and the nature of its business.
  - (c) Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) According to the information and explanations given to us and on the basis of our examination of the books of accounts the company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act 2013.
- (iv) There is an adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services.
- (v) The company has not accepted any deposit from the public.
- (vi) As per information & explanation given by the management, Central Government has not prescribed the maintenance of cost records under section (1) of section 148 of the Companies Act.
- (vii)(a) As per information & explanation given by the management, the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities.
  - (b) According to the information and explanations given to us, there is no amount payable of income tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or cess on account of any dispute.
  - (c) No amount is required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under transferred to such fund within time.
- (viii) The Company does not have any accumulated loss at the end of the financial year and has not incurred cash loss during the financial year covered by our audit and in the immediately preceding financial year.
- (ix) The company did not have any outstanding dues to financial institution or bank or debenture holders during the year.
- (x) According to information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xi) The company did not have any term loan outstanding during the year.
- (xii) According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

**Place: New Delhi**  
**Date : 25/05/2015**

**For MOHAN & MOHAN**  
**Chartered Accountants**  
**FRN: 002612N**

**Adarsh Mohan**  
**Partner**  
**(M. No. 081491)**

# DECOROUS INVESTMENT & TRADING COMPANY LIMITED

## DECOROUS INVESTMENT & TRADING CO. LTD

CIN: L67120AS1982PLC007076

### BALANCE SHEET

Amount in ₹

Particulars	Note	As at 31.03.2015	As At 31.03.2014
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDER's FUNDS</b>			
Share Capital	2.1	34,500,000	2,000,000
Reserves and Surplus	2.2	34,347	(1,403,856)
		34,534,347	596,144
<b>NON-CURRENT LIABILITIES</b>			
Long-term Borrowing	2.3	-	79,778
Deferred tax liabilities		7,544	-
		7,544	79,778
<b>CURRENT LIABILITIES</b>			
Short-term Provisions	2.4	540,000	154,190
Other current liabilities	2.5	129,388	836,258
		669,388	990,448
		35,211,280	1,666,370
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Fixed Assets (Tangible Assets)	2.6	112,858	-
Loans & advances	2.7	338,367	338,367
		451,225	338,367
<b>CURRENT ASSETS</b>			
Advances against Purchase of Property	2.8	18,200,000	-
Loans / Advances	2.9	7,000,000	-
Trade Inventories		5,896,254	-
Trade Receivables	2.10	-	1,295,692
Sundry Trade Debtors	2.11	3,538,659	-
Cash and cash equivalents	2.12	125,141	32,311
		34,760,054	1,328,003
		35,211,280	1,666,370
<b>SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS</b>	1&2		

Note: See accompanying notes which are integral part of the Financial Statements

As per our even Report attached  
For MOHAN & MOHAN  
Chartered Accountants  
FRN: 002612N  
Adarsh Mohan  
Proprietor  
Membership No. 081491

Place: New Delhi  
Date : 25.05.2015

For Decorous Investment & Trading Co. Ltd.

**Raj Kumar Gupta**  
Director  
DIN: 00074532

**Amit Gupta**  
Director  
DIN: 00074483

**Mohit Kumar** ACS-38142  
Company Secretary & Compliance Officer

# DECOROUS INVESTMENT & TRADING COMPANY LIMITED

## DECOROUS INVESTMENT & TRADING CO. LTD

CIN: L67120AS1982PLC007076

### STATEMENT OF PROFIT & LOSS

Amount in ₹

Particulars	Note	Year ended 31.03.2015	Year ended 31.03.2014
<b>ENUE</b>			
<b><u>Revenue from Operations</u></b>			
Sale of Jewellery		102,988,835	-
Sale of Shares		-	11,080
Surplus on purchase/sale of Commodities, etc.		243,249	-
Profit on Sale of Investments		-	483,110
Misc. Balances written back		317,779	-
Other Income	2.13	-	12,285
		<b>103,549,863</b>	<b>506,475</b>
<b>EXPENSES</b>			
Purchase of Jewellery		104,820,372	-
Changes in Inventories - Stock in Trade		(5,896,254)	-
Administrative & other expenses	2.14	2,150,166	32,116
Employee Benefit Exp	2.15	477,700	-
Depreciation		12,132	-
Total Expenses		<b>101,564,115</b>	<b>32,116</b>
Profit before exceptional and extraordinary items and tax		1,985,748	474,359
Exceptional items		-	-
Profit before extraordinary items and tax		1,985,748	474,359
Extraordinary Items		-	-
<b>PROFIT BEFORE TAX</b>		<b>1,985,748</b>	<b>474,359</b>
Tax Expense:			
Current Year Tax		540,000	88,315
Deferred Tax Liability		7,544	-
<b>PROFIT for the year</b>		<b>1,438,203</b>	<b>386,044</b>
<b>EARNING PER SHARE</b>			
(Equity share of par value of Rs. 10 each)			
Basic		0.79	1.93
Diluted		0.79	1.93

SIGNIFICANT ACCOUNTING POLICIES 1&2

AND NOTES ON ACCOUNTS

Note: See accompanying notes which are integral part of the Financial Statements

As per our even Report attached  
For MOHAN & MOHAN  
Chartered Accountants  
FRN: 002612N  
Adarsh Mohan  
Proprietor  
Membership No. 081491

Place: New Delhi  
Date : 25.05.2015

For Decorous Investment & Trading Co. Ltd.

**Raj Kumar Gupta**  
Director  
DIN: 00074532

**Amit Gupta**  
Director  
DIN: 00074483

**Mohit Kumar** ACS-38142  
Company Secretary & Compliance Officer

### Notes which are integral part of financial statements for the year ended March 31, 2015 :-

Decorous Investment & Trading Co. Limited ( "the Company") was incorporated on November 22, 1982 to Invest in properties, debentures, securities, and to do the business of promoters, investment consultants etc. Certificate of Commencement of Business was issued on December 15, 1982.

At the meeting of Board & Shareholders held on 23rd Day of August, 2014 & 29th day of September, 2014 respectively.

MOA & AOA were amended and Certificate of Registration of the Special Resolution Confirming Alteration of Object Clause(s) dated 17.11.2014 received from ROC and the company is now carrying on the principal business of Gems & Jewellery, Bullion, etc.

#### **1. Significant Accounting Policies**

##### **1.1 Basis of preparation of financial statements**

These financial statements are prepared on under the historical cost convention, in compliance in accordance with Generally Accepted Accounting Principles (GAAP) in India on accrual basis. GAAP Comprises accounting standards as specified in rule 3 of the Companies (Accounting Standards) Rules 2006, and the relevant provisions of the Companies Act, to the extent applicable. Accounting policies have been consistently applied.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Form AOC - 3 of the Companies (Accounts) Rule, 2014. Company has ascertained its operating cycle as 12 months for the purpose of current – non current classification of assets and liabilities.

##### **1.2 Use of estimates**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of income and expenses of the period, reported amount of assets and liabilities and disclosure relating to contingent assets and liabilities as on the date of the financial statements. Accounting estimate could change from period to period and actual results could differ from those estimates.

##### **1.3 Revenue recognition**

Revenue is recognized on accrual basis. Dividend income is accounted for on receipt basis. Sale/purchase of securities is recognized on the basis of actual deliveries of securities.

##### **1.4 Investments**

Securities, which are considered by the management as stock in trade, are valued at lower of cost or net realizable value. Transfer charges on securities purchased are added to the cost when paid. Cost of Stock is taken on Average cost method

##### **1.5 Employee benefits**

Employee benefits are recognized as an expense in the profit and loss account

##### **1.6 Foreign Currency Transactions**

a. Expenditure in Foreign Currency: NIL

b. Income in Foreign Currency : NIL

##### **1.7 Taxes**

Taxation, if any, is being provided at the rate prevailing during relevant period under normal provisions prescribed by the Income tax Act, 1961 and rules made thereunder.

##### **1.8 Cash and Cash Equivalents**

Cash and cash equivalents comprise cash in hand and accounts with banks.



## DECOROUS INVESTMENT & TRADING COMPANY LIMITED

### Notes which are integral part of financial statements for the year ended March 31, 2015:-

Amount in ₹

#### 2.1 Share Capital

Particulars	As at 31.03.2015	As at 31.03.2014
<b>Authorised</b>		
Equity shares 40,00,000 (Previous year 12,50,000) of par value Rs.10/- each	40,000,000	12,500,000
	40,000,000	12,500,000
<b>Issued, Subscribed and Paid up</b>		
Equity shares 34,50,000 (Previous year 2,00,000) of par value Rs.10/-each fully paid up	34,500,000	2,000,000
	34,500,000	2,000,000

The company has one class of equity shares having a par value of Rs. 10/- per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders shall be eligible to receive any of the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding. The amount distributed will be in proportion to the number of equity shares held by the shareholders.

Reconciliation of the number of shares outstanding

Particulars	As at 31.03.2015		As at 31.03.2014	
	No. of shares	Value	No. of shares	Value
<b>EQUITY</b>				
Shares outstanding at the beginning of the year	200,000	2,000,000	200,000	2,000,000
Add : Shares issue during the year	3,250,000	32,500,000	-	-
Shares outstanding at the end of the year	3,450,000	34,500,000	200,000	2,000,000

Shares in respect of each class in the company and shares held by shareholders holding more than 5% shares

Name of the company	Class of shares	31.03.2015	31.03.2014
	Equity shares		
Aditya Estates Pvt. Ltd.		-	24300
Duncan Macneill Const. & Dev. Ltd		-	16800
Lord Inchcape Financial Services Ltd		-	27300
Sita Rani		175000	-
Sumit Gupta		175000	-
		350,000	68,400

## DECOROUS INVESTMENT & TRADING COMPANY LIMITED

Amount in ₹

### 2.2 Reserves and Surplus

Particulars	31.03.2015	31.03.2014
Profit & Loss Account		
Balance in Profit & Loss Account - Opening	(1,403,856)	(1,789,900)
Add: Profit during the year	1,438,203	386,044
Balance in Profit & Loss Account - Closing	34,347	(1,403,856)

### Long-term Borrowings

Particulars	31.03.2015	31.03.2014
Unsecured		
Long term Loan from others	-	79,778
	-	79,778

### 2.4 Short-term Provisions

Particulars	31.03.2015	31.03.2014
Provision for Expenses	-	65,875
Provision of Income Tax	540,000	88,315
	540,000	154,190

### 2.5 Other current liabilities

Particulars	31.03.2015	31.03.2014
Sundry Creditors	-	608,459
Intercompany Advances Received	-	131,799
Other Liabilities	109,534	96,000
Duties & Taxes	19,854	-
	129,388	836,258



## NOTE : 2.6

## FIXED ASSETS - AS AT 31.03.2015

Particular	Date of Purchase	Original Cost (Rs)	Addition During the Year	Deletion During the Year	Life as per Co. Act, 2013	Life Used till 31/03/2014	Salvaged value	Depreciable amount over whole life	Depreciation for the year	Carrying Amount as on 31.03.2015
<b>Computer</b>										
	11.07.2014	-	37,700	-	3	-	1,885	-	7,826	29,874
	06.01.2015	-	23,450	-	3	-	1,173	-	1,733	21,717
<b>Furniture</b>										
	16.06.2014	-	26,840	-	10	-	1,342	-	2,104	24,736
<b>Office Equipments</b>										
	04.03.2015	-	32,000	-	5	-	1,600	-	456	31,544
	26.03.2015	-	5,000	-	5	-	250	-	13	4,987
		-	124,990				6,250	-	12,132	112,858

## DECOROUS INVESTMENT & TRADING COMPANY LIMITED

### 2.7 Loans & advances

Amount in ₹

Particulars	31.03.2015	31.03.2014
Unsecured - considered good		
Advance Income Tax	338,367	338,367
	338,367	338,367

There is no loan and advance due by directors or officers of the company or any of them either severally or jointly with any other persons or amounts due by firms or private companies in which any director is a partner or a member.

### 2.8 Advance Against Purchase of Property

Particulars	31.03.2015	31.03.2014
Sanjay Jain & Rajni Jain	12,500,000	-
Rishav Singla	3,700,000	-
Vipul Jain	2,000,000	-
	18,200,000	-

### 2.9 Loans / Advances

Particulars	31.03.2015	31.03.2014
NCG Real Estate Pvt Ltd	4,000,000	-
Weldon Projects Pvt Ltd	3,000,000	-
	7,000,000	-

### 2.10 Trade Receivables

Particulars	31.03.2015	31.03.2014
Unsecured - considered good		
Link Holdings Pvt Ltd.	-	1,140,380
William Jacks & Co. India Ltd.	-	155,311
	-	1,295,691

### 2.11 Sundry Trade Debtors

Particulars	31.03.2015	31.03.2014
Archit Gems	2,323,971	-
Uwajh Jewels	295,958	-
Brilliant Jeweller	918,730	-
	3,538,659	-

### 2.12 Cash and Cash equivalents

Particulars	31.03.2015	31.03.2014
Cash on hand	32,023	138
Bank of Maharashtra	26,968	-
ICICI Janpath	32,173	32,173
PNB-Preferential Issue	19,432	-
PNB - C/A	14,545	-
	125,141	32,311

## DECOROUS INVESTMENT & TRADING COMPANY LIMITED

Notes which are integral part of financial statements for the year ended March 31, 2015 :-

### 2.13 Other Income

Amount in ₹

Particulars	31.03.2015	31.03.2014
Dividend received	-	12,285
	-	12,285

### 2.14 Administrative & other expenses

Particulars	31.03.2015	31.03.2014
Advertisement & Publicity	53,847	-
Charges to CDSL	56,199	-
Charges to NSDL	41,013	-
Charges to RTA - Alankit	50,826	-
Conveyance Exp	26,993	-
Courier Charges	13,946	-
Deepawali Exp	16,000	-
Listing Fee - Calcutta Stock Exchange	146,630	-
Listing Fee - Delhi Stock Exchange	131,846	11,236
Listing Fee - BSE	561,800	-
Jewellery Making Charges	140,538	-
Office Exp	20,730	-
Pantry Exp	22,440	-
Professional charges	169,815	9,120
Rent Paid	173,000	-
Auditor's Remuneration		
Audit fee	11,236	2,000
Certification Charges	4,750	-
Printing and Stationery	20,376	-
Filing Fee - ROC	309,150	9,000
Telephone Exp	10,900	-
Travelling Exp	28,320	-
Secretarial Audit Fee	25,000	-
Internal Audit Fee	28,090	-
Misc. Expenses	86,721	760
	2,150,166	32,116

### 2.15 Employees Benefit Exp

Particulars	31.03.2015	31.03.2014
Salary to Employees	477,700	-
	477,700	-

## DECOROUS INVESTMENT & TRADING COMPANY LIMITED

### Notes which are integral part of financial statements for the year ended March 31, 2015

#### 2.16 Related Party Disclosures

a) Name of the Related Parties : Key Management Personnel	:	<ol style="list-style-type: none"> <li>1. Sh. P.N. Baidya - Director</li> <li>2. Sh. Raj Kumar Gupta - WTD &amp; CFO</li> <li>3. Smt Lalita Mittal - Director</li> <li>4. Sh. Pankaj Aggarwal - Director</li> <li>5. Sh. Amit Gupta - Director</li> <li>6. Sh. Mohit Kumar - CS</li> </ol>
Enterprises over which Key Management Personnel / Shareholders / Relatives have significant influence	:	
b) Transactions with Related Parties Nature of Transaction	Key Management Personnel	Enterprises over which Key Management Personnel/Shareholders / Relatives have significant influence
Loan/Advances received	-	-
Loan/Advances repaid	-	-
Balance outstanding as at year end	-	-

#### 2.17 Quantitative Details & Business

The Company is carrying on the principal business of Gems & Jewellery and sale & purchase of Bullion, Commodities, etc.,

#### 2.18 Earning Per Share

Basic earning per share is calculated by dividing the net profit / loss for the year attributable to equity Shareholders by weighted average number of equity shares outstanding during the year.

For calculating diluted earning per share, the net profit/loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all diluted potential equity shares.

The following is the computation of earnings per share :-

Net profit as per P&L. A/C	:	1438203
Weighted average number of shares outstanding	:	1825000
Weighted average number of equity shares & equity share equivalents outstanding	:	1825000
Nominal Value of share	:	10/- each
Basic earning per share	:	0.79
Diluted earning per share	:	0.79

#### 2.19 Post Balance Sheet Events

Material events occurring after the Balance Sheet are taken into cognizance/ consideration.

#### 2.20 Loans & Advances

In the opinion of the Board all the Current Assets, Loans & Advances have a value on realization in ordinary course of business at least equal to the amount at which these are stated.

**2.21 Segment Reporting**

Income of company are primarily from Gems & Jewellery business and also from purchase & sale of bullion commodities, etc.

**2.22 Previous year's figures**

Previous years figures have been regrouped / rearranged / reclassified wherever necessary to correspond with the current year classification / disclosures.

As per our even Report attached

For MOHAN & MOHAN  
Chartered Accountants  
FRN: 002612N  
Adarsh Mohan  
Proprietor  
Membership No. 081491

For Decorous Investment & Trading Co. Ltd.

**Raj Kumar Gupta**  
Director  
DIN: 00074532

**Amit Gupta**  
Director  
DIN: 00074483

Place: New Delhi  
Date : 25.05.2015

**Mohit Kumar**  
Company Secretary & Compliance Officer  
ACS-38142