



**ARYAMAN**  
FINANCIAL SERVICES LTD

60, Khatau Building, Gr. Floor,  
Alkesh Dinesh Modi Marg,  
Opp. P. J. Tower (BSE Bldg.),  
Fort, Mumbai - 400 001.  
Tel. : 022-6216 6999 / 2261 8264 Fax: 2263 0434  
Email : info@afsl.co.in  
Website : www.afsl.co.in  
CIN : L74899DL1994PLC059009  
GSTIN : 27AABCA1376P1ZD

September 29, 2018

To  
**BSE LIMITED**  
Listing Department,  
P.J Towers, Dalal Street,  
Fort, Mumbai - 400 001

**Scrip Code: 530245**

**Ref No: AFSL/LODR/COM/SSS/151/2018**


Dear Sir/ Madam,

**Sub: Submission of 24<sup>th</sup> Annual Report of the Company pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015**

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith Twenty Forth (24<sup>th</sup>) Annual Report of the Company for Financial Year 2017-18.

Kindly acknowledge the receipt and take the same on record.

**FOR ARYAMAN FINANCIAL SERVICES LIMITED**

  
**DEEPESH JAIN**  
(Company Secretary)



Encl: As above



# **ARYAMAN**

## **FINANCIAL SERVICES LIMITED**

**24th**

**Annual Report  
2017-2018**

## **CORPORATE INFORMATION**

**CIN:** L74899DL1994PLC059009

### **BOARD OF DIRECTORS:**

#### **EXECUTIVE DIRECTORS:**

- ☞ Mr. Shripal Shah
- ☞ Mr. Shreyas Shah

#### **INDEPENDENT DIRECTORS:**

- ☞ Mr. Darshit Parikh
- ☞ Mr. Ram Gaud
- ☞ Mrs. Tejal Vala

#### **KEY MANAGERIAL PERSON:**

- ☞ Mr. Shripal Shah (Chief Financial Officer)
- ☞ Mr. Deepesh Jain (Company Secretary)

#### **STATUTORY AUDITOR:**

**M/s V. N. Purohit & Co.,**  
Chartered Accountants  
(Firm Registration No. 304040E)  
214, New Delhi House. 2nd Floor  
27, Barakhamba Road  
New Delhi- 110001

#### **CORPORATE OFFICE:**

60, Khatau Building, Ground. Floor,  
Alkesh Dinesh Modi Marg,  
Fort, Mumbai – 400 001

### **COMMITTEES:**

#### **AUDIT COMMITTEE:**

- ☞ Mr. Darshit Parikh (Chairman)
- ☞ Mr. Shripal Shah (Member)
- ☞ Mr. Ram Gaud (Member)

#### **STAKEHOLDERS RELATIONSHIP COMMITTEE:**

- ☞ Mr. Darshit Parikh (Chairman)
- ☞ Mrs. Tejal Vala (Member)
- ☞ Ms. Shripal Shah (Member)

#### **NOMINATION REMUNERATION COMMITTEE:**

- ☞ Mr. Darshit Parikh (Chairman)
- ☞ Mr. Ram Gaud (Member)
- ☞ Mrs. Tejal Vala (Member)

#### **REGISTRAR AND SHARE TRANSFER AGENT:**

**Adriot Corporate Services Private Limited**  
19/20, Jafferboy Industrial Estate  
1st Floor, Makwana Road,  
Marol Naka, Andheri (E),  
Mumbai – 400 059

#### **REGISTERED OFFICE:**

102, Ganga Chambers, 6A/1, W.E.A.,  
Karol Bagh,  
New Delhi – 110 005

### **Request to Members**

Members are requested to send their queries, if any, relating to the annual report, shareholding, etc., to the Company Secretary at the Corporate Office of the Company, on or before Saturday, September 22, 2018, so that the answers / details can be kept ready at the Annual General Meeting.

**Mr. Deepesh Jain (Company Secretary)**

60, Khatau Building, Ground. Floor,  
Alkesh Dinesh Modi Marg,  
Fort, Mumbai – 400 001

**Tel:** 022 – 6216 6999

**Fax:** 022 – 2263 0434

**Mail Id:** [info@afsl.co.in](mailto:info@afsl.co.in)

## NOTICE

**NOTICE** is hereby given that the **Twenty Fourth Annual General Meeting** of the Members of **Aryaman Financial Services Limited** will be held on **Tuesday, September 25, 2018 at 11:00 A.M.** at **Vihara Innovation Campus, D-57, Chattarpur Enclave, 100 ft. Road, New Delhi – 110 074** to transact the following business:

### **ORDINARY BUSINESS:**

- 1) To receive, consider and adopt the audited financial statements of the company (including audited consolidated financial statements) for the financial year ended March 31, 2018 and the Reports of the Board of Directors and Auditors thereon.
- 2) To appoint a Director in place of Mr. Shripal Shah (DIN: 01628855), who retires by rotation and being eligible, offer himself for re-appointment.

### **SPECIAL BUSINESS:**

#### **3) Approval to deliver document through a particular mode as may be sought by the member:**

*To consider and if thought fit, to pass the following resolution as a **Special Resolution**:*

**“RESOLVED THAT** pursuant to Section 20 of the Companies Act, 2013 and the Rules made thereunder (hereinafter referred to as ‘the Act’), consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company to serve document(s) on Member(s) of the Company by post or by registered post or by speed post or by courier or by delivering at their address, or by such electronic or other mode prescribed under the Act and desired by Member(s), from time to time.

**FURTHER RESOLVED THAT** upon request of Member(s) for delivery of any document(s) through a particular mode, the Company do serve the same to the Member(s) through that particular mode and/ or charge such fees which shall not be more than the amount charged to the Company by the Department of Post or the Service Provider(s) including related handling charges, if any, to deliver the documents in a particular mode.

**FURTHER RESOLVED THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts and take all such steps as may be deemed necessary, proper or expedient to give effect to this resolution.”

#### **4) To re-appoint Mr. Shripal Shah as Whole Time Director:**

*To consider and if thought fit, to pass the following resolution as a **Special Resolution**:*

**“RESOLVED THAT** in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the members be and is hereby accorded to re-appoint Mr. Shripal Shah, (DIN: 01628855) as Whole Time Director of the Company, for a period of 5 (five) years, on expiry of his present term of office, i.e. with effect from April 1, 2019 on an annual remuneration not exceeding ₹ 30,00,000 (Rupees Thirty Lacs Only) per annum (inclusive of all perquisites), and as may be approved by the Board of Directors of the Company and his office shall be liable to retire by rotation.

**FURTHER RESOLVED THAT** in the event of loss or inadequacy of profits in any financial year(s), during the currency of tenure of Mr. Shripal Shah as Whole Time Director of the Company, the above mentioned remuneration be paid to Mr. Shripal Shah, as minimum remuneration, subject to the approval of Central Government, if necessary.

**FURTHER RESOLVED THAT** the Board of Directors or a Nomination Remuneration Committee thereof be and is hereby authorized to alter or vary the remuneration within the provisions of Schedule V of the Companies Act, 2013 to the extent the Board or Nomination Remuneration Committee thereof may consider appropriate, as may be permitted or authorized in accordance with any provisions under Companies Act, 2013 or schedule appended thereto and settle any question or difficulty in connection therewith and incidental thereto.

**FURTHER RESOLVED THAT** the Board be and is hereby authorised to do all such acts, deeds, matters and things, as in its absolute discretion, it may consider, necessary, expedient or desirable in order to give effect to this resolution.”

**5) To re-appoint Mr. Shreyas Shah as Whole Time Director:**

*To consider and if thought fit, to pass the following resolution as a **Special Resolution**:*

**“RESOLVED THAT** in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the members be and is hereby accorded to re-appoint Mr. Shreyas Shah, (DIN: 01835575) as Whole Time Director of the Company, for a period of 5 (five) years, on expiry of his present term of office, i.e. with effect from April 1, 2019 on an annual remuneration not exceeding ₹ 30,00,000 (Rupees Thirty Lacs Only) per annum (inclusive of all perquisites), and as may be approved by the Board of Directors of the Company and his office shall be liable to retire by rotation.

**FURTHER RESOLVED THAT** in the event of loss or inadequacy of profits in any financial year(s), during the currency of tenure of Mr. Shreyas Shah as Whole Time Director of the Company, the above mentioned remuneration be paid to Mr. Shreyas Shah, as minimum remuneration, subject to the approval of Central Government, if necessary.

**FURTHER RESOLVED THAT** the Board of Directors or a Nomination Remuneration Committee thereof be and is hereby authorized to alter or vary the remuneration within the provisions of Schedule V of the Companies Act, 2013 to the extent the Board or Nomination Remuneration Committee thereof may consider appropriate, as may be permitted or authorized in accordance with any provisions under Companies Act, 2013 or schedule appended thereto and settle any question or difficulty in connection therewith and incidental thereto.

**FURTHER RESOLVED THAT** the Board be and is hereby authorised to do all such acts, deeds, matters and things, as in its absolute discretion, it may consider, necessary, expedient or desirable in order to give effect to this resolution.”

**6) To re-appoint Mr. Darshit Parikh as Independent Director:**

*To consider and if thought fit, to pass the following resolution as a **Special Resolution**:*

**“RESOLVED THAT** in accordance with the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Darshit Parikh (DIN: 03492803), who was appointed as an Independent Director and who holds office as an Independent Director up to March 31, 2019 and being eligible, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years, i.e. from April 1, 2019 and up to March 31, 2024.

**FURTHER RESOLVED THAT** the Board be and is hereby authorised to do all such acts, deeds, matters and things, as in its absolute discretion, it may consider, necessary, expedient or desirable in order to give effect to this resolution.”

**7) To re-appoint Mr. Ram Gaud as Independent Director:**

*To consider and if thought fit, to pass the following resolution as a **Special Resolution**:*

**“RESOLVED THAT** in accordance with the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Ram Gaud (DIN: 02759052), who was appointed as an Independent Director and who holds office as an Independent Director up to March 31, 2019 and being eligible, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years, i.e. from April 1, 2019 and up to March 31, 2024.

**FURTHER RESOLVED THAT** the Board be and is hereby authorised to do all such acts, deeds, matters and things, as in its absolute discretion, it may consider, necessary, expedient or desirable in order to give effect to this resolution.”

**8) To re-appoint Mrs. Tejal Vala as Independent Director:**

*To consider and if thought fit, to pass the following resolution as a **Special Resolution**:*

**“RESOLVED THAT** in accordance with the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mrs. Tejal Vala (DIN: 05239882), who was appointed as an Independent Director and who holds office as an Independent Director up to March 31, 2019 and being eligible, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years, i.e. from April 1, 2019 and up to March 31, 2024.

**FURTHER RESOLVED THAT** the Board be and is hereby authorised to do all such acts, deeds, matters and things, as in its absolute discretion, it may consider, necessary, expedient or desirable in order to give effect to this resolution.”

**NOTES:**

1. The Statement pursuant to Section 102 of the Companies Act, 2013 (Act) and Details of directors to be re-appointed, in respect of the business as set out in the Notice is annexed hereto.
2. This Notice is being to members of the Company as appearing in Register of Members.
3. **A MEMBER ENTITLED TO ATTEND AND VOTE AT ANNUAL GENERAL MEETING (AGM) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING PROXY, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE COMPANY’S REGISTERED OFFICE, DULY COMPLETED AND SIGNED, NOT LESS THAN FORTYEIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING. PROXIES SUBMITTED ON BEHALF OF LIMITED COMPANIES, SOCIETIES, ETC., MUST BE SUPPORTED BY APPROPRIATE RESOLUTIONS / AUTHORITY, AS APPLICABLE. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY. IN CASE A PROXY IS PROPOSED TO BE APPOINTED BY A MEMBER HOLDING MORE THAN 10% OF TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS, THEN SUCH PROXY SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER. THE BLANK PROXY FORM IS ENCLOSED.**
4. Members/Proxy holder/Authorized Representative are requested to bring duly filled Attendance Slip enclosed herewith along with their copy of the Notice to attend the Meeting.
5. Electronic copy of the Notice of the Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with the Attendance Slip and Proxy Form are being sent to all the members whose email IDs are registered with the Company / Depository Participant(s) for communication purposes unless any member has



requested for a physical copy of the same. For members who have not registered their email address, physical copies of the aforesaid documents are being sent in the permitted mode.

6. In case of joint holders attending the Meeting, the first holder as per the Register of Members of the Company will be entitled to vote.
7. Corporate Members are requested to send a duly certified copy of the Board Resolution authorizing their representative(s) to attend and vote on their behalf at the Meeting.
8. Relevant documents referred to in the Notice, statutory registers will be available for inspection by the members at the Registered Office of the Company during normal business hours on working days. Members desiring to seek information with respect to the businesses in this notice are requested to send their queries at least Seven days before the date of the meeting so that the information can be made available at the meeting.
9. A route map showing directions to reach the venue of the meeting is given in this Notice.
10. Once the vote on a resolution is cast by the member, the member shall not allowed to change it subsequently. Further, members who have casted their vote electronically shall not vote by way of poll, if held at the meeting. To provide an opportunity to vote at the meeting to the shareholders, who have not exercised the remote e-voting facility, shall be provided ballot papers before the commencement of the meeting. Any person who is not a member as on the cut-off date should treat this notice for information purpose only.
11. Member holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their Demat Accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company / RTA viz. Adriot Corporate Services Private Limited.
12. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form, are therefore, requested to submit their PAN to their Depository Participants with whom they maintain their Demat Accounts. Members holding shares in physical form and submit their PAN to the Company/ RTA viz. Adriot Corporate Services Private Limited.
13. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, September 19, 2018 to Tuesday, September 25, 2018.

**14. Voting through electronic means**

1. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 (Listing Regulations), the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at Annual General Meeting by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the Annual General Meeting ("remote e-voting") will be provided by Central Depository Services Limited (CDSL).
2. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
3. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
4. The remote e-voting period commences on **Saturday, September 22, 2018 (9:00 a.m.)** and ends on **Monday, September 24, 2018 (5:00 p.m.)**. During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of **Tuesday, September 18, 2018**, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
5. **The process and manner for remote e-voting are as under:**
  - i. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - ii. Click on Shareholders.
  - iii. Now Enter your User ID
    - a. For CDSL: 16 digits beneficiary ID,
    - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
  - iv. Next enter the Image Verification as displayed and Click on Login.

- v. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- vi. If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN Field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN Field.</li> </ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- vii. After entering these details appropriately, click on "SUBMIT" tab.
- viii. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- ix. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- x. Click on the EVSN for the "Aryaman Financial Services Limited" on which you choose to vote.
- xi. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xii. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xiii. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xiv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xv. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- xvi. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xvii. Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store, Windows and Apple smart phones. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- xviii. **Note for Non – Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.



- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- xix. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- 6. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- 7. Mr. Jitender Singh, Practicing Company Secretary (C.P. No.: 12463) has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- 8. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of “Ballot Paper” for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- 9. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer’s report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- 10. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company <http://afsl.co.in/investor-relation.html> and on the website of CDSL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.
- 11. **GREEN INTIATIVE**  
As a responsible corporate citizen, the Company welcomes and supports the 'Green Initiative' initiated by the Ministry of Corporate Affairs, Government of India (MCA), by its recent circulars, enabling electronic delivery of documents including the annual reports, notices, circulars to shareholders at their e-mail address previously registered with the depository participants (DPs)/company/registrars and share transfer agents. Shareholders who have not registered their e-mail addresses so far are requested to register their e-mail addresses to help us in the endeavour to save trees and protect the planet. Those holding shares in demat form can register their email address with their concerned DP. Those shareholders who hold shares in physical form are requested to register their e-mail addresses with our registrar, Adroit Corporate Services Pvt. Ltd, by sending a duly filed “registration / updation of shareholder information form” available on <http://afsl.co.in/investor-relation.html>, duly signed by the first /sole holder quoting details of folio no.
- 12. **All queries relating to Share Transfer and allied subjects should be addressed to:**  
**Adriot Corporate Services Private Limited**  
19/20, Jafferboy Industrial Estate  
1st Floor, Makwana Road,  
Marol Naka, Andheri (E),  
Mumbai – 400 059

**Registered Office:**

102, Ganga Chambers,  
6A/1, W.E.A., Karol Bagh,  
New Delhi – 110 0051

**Tel :** 022 – 6216 6999

**Fax:** 022 – 2263 0434

**CIN:** L74899DL1994PLC059009

**Website:** <http://www.afsl.co.in>

**Email:** [info@afsl.co.in](mailto:info@afsl.co.in)

By Order Of The Board Of Directors  
**FOR ARYAMAN FINANCIAL SERVICES LIMITED**

Sd/-

**Deepesh Jain**

(Company Secretary)

Mumbai, Tuesday, August 14, 2018

## ROUTE MAP TO THE 24<sup>th</sup> AGM VENUE

**Venue Address:** Vihara Innovation Campus, D-57, Chattarpur Enclave, 100 ft. Road, New Delhi - 110074



**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013 SETTING OUT ALL MATERIAL FACTS RELATING TO THE SPECIAL BUSINESS:**

**Item No. 3:**

As per the provisions of Section 20 of the Companies Act, 2013, a shareholder may request for any document through a particular mode, for which the shareholder shall pay such fees as may be determined by the Company in its annual general meeting. Since the cost of providing documents may vary according to the mode of service, weight and its destination etc., therefore it is proposed that actual expense that may be borne by the Company for such dispatch will be paid in advance by the shareholder to the company.

The Board of Directors recommends passing of the Special Resolution as set out at Item No. 3 of this Notice.

No Director of the Company, Key Managerial Personnel or their relatives respectively is in any way concerned or interested in the proposed resolution.

**Item No. 4 & 5:**

Mr. Shripal Shah (DIN: 01628855) was appointed as Whole Time Director on September 25, 2014 for a term of five years from April 01, 2014 to March 31, 2019 and Mr. Shreyas Shah (DIN: 01835575) was appointed as Whole Time Director on September 25, 2016 for a term of three years from April 01, 2016 to March 31, 2019.

The Board of Directors of the Company ("Board"), at its meeting held on August 14, 2018 has, subject to the approval of members, proposed to re-appoint Mr. Shripal Shah and Mr. Shreyas Shah as Whole Time Director, for a period of 5 (five) years from the expiry of their present term, i.e. with effect from April 01, 2019, on the terms and conditions including remuneration as may be recommended by the Nomination and Remuneration Committee ("NR Committee") of the Board and approved by the Board. The details of the proposed appointees are as under:

**a) Mr. Shripal Shah:**

Mr. Shripal Shah, aged 34 years is currently serving as the Whole Time Director of our company. He is a Management Graduate (International Finance) and a CFA (USA). He has an experience of over a decade in the field of finance and investments. Under his leadership, Company has grown into manifolds and group has entered into various arena's of Capital Markets. His functional responsibility is handling the overall business affairs of our Company and entire group including devising investment strategies, developing industry networks for further business development and overall development of the business of the Company.

**b) Mr. Shreyas Shah:**

Mr. Shreyas Shah, aged 30 years is currently serving as the Whole Time Director of our company. He is a BMS graduate and Gen. LLB from Mumbai University. He has an experience of more than 8 years in the field of finance and investments. His functional responsibility is handling the business development of the Company.

The Company is a SEBI Registered Merchant Banker and its subsidiaries, i.e. Aryaman Capital Markets Limited is a SEBI Registered Stock Broker and Depository Participant and is currently involved in market making of SME Scrips listed on SME Platforms of BSE Limited and NSE Limited and Escorp Asset Management Limited is a SEBI Registered Portfolio Manager. Apart from the aforesaid, Group is involved into proprietary investments in shares, securities, fixed income products etc.

The Standalone net profit of the Company for the financial year ended March 31, 2018 was ₹ 241.04 Lacs and for the financial year March 31, 2017 was ₹ 99.74 Lacs. The Consolidated net profit of the Company for the financial year ended March 31, 2018 was ₹ 298.63 Lacs and for the financial year March 31, 2017 was ₹ 238.59 Lacs. Remuneration to be paid to Mr. Shripal Shah and Mr. Shreyas Shah shall be on the terms and conditions as decided by the Board and as may be

acceptable to them. The upper limit of remuneration proposed to be paid, if decided by Board to Mr. Shripal Shah is commensurate with the nature of business of the Company.

It is proposed to seek members' approval for the re-appointment of and remuneration payable to Mr. Shripal Shah and Mr. Shreyas Shah as Whole Time Director of the Company, in terms of the applicable provisions of the Act.

Considering the expertise and performance of Mr. Shripal Shah and Mr. Shreyas Shah, The Board of Directors recommends passing of the Special Resolution as set out at Item No. 4 & 5 of this Notice.

Mr. Shripal Shah and Mr. Shreyas Shah are interested in the resolution set out at Item No. 4 & 5 of the Notice with regard to their reappointment.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

**Item No. 6 to 8:**

Mr. Darshit Parikh (DIN: 03492803), Mr. Ram Gaud (DIN: 02759052), Mrs. Tejal Vala (DIN: 05239882) were appointed as Independent Director on September 24, 2014 for a continuous period of five years ending from April 01, 2014 to March 31, 2019. The Board of Directors of the Company ("Board"), at its meeting held on August 14, 2018 has, subject to the approval of members, proposed to re-appoint Mr. Darshit Parikh, Mr. Ram Gaud and Mrs. Tejal Vala, as Independent Director, for a period of 5 (five) years from the expiry of his present term, i.e. with effect from April 01, 2019 till March 31, 2024.

The Nomination and Remuneration Committee of the Board of Directors, on the basis of the report of performance evaluation, has recommended re-appointment of all the above referred directors as an Independent Director for a second term of 5 (five) consecutive years on the Board of the Company.

The Board, based on the performance evaluation and as per the recommendation of the Nomination and Remuneration Committee, considers that, given the background and experience and contributions made by Mr. Parikh, Mr. Gaud and Mrs. Vala during their tenure, and their continued association would be beneficial to the Company and it is desirable to continue to avail their services as an Independent Director.

Mr. Parikh, Mr. Gaud and Mrs. Vala are not disqualified from being appointed as a Director in terms of Section 164 of the Act and have given their individual consent to act as a Director along with their Declaration of Independence declaring meeting criteria of independence as prescribed under Section 149 (6) of Companies Act, 2013 and SEBI LODR Regulations.

Accordingly, it is proposed to re-appoint Mr. Darshit Parikh, Mr. Ram Gaud and Mrs. Tejal Vala as an Independent Director of the Company, not liable to retire by rotation, for a second term of 5 (five) consecutive years on the Board of the Company.

They shall be paid remuneration by way of fee for attending meetings of the Board or Committees thereof or for any other purpose whatsoever as may be decided by the Board, reimbursement of expenses for participating in the Board and other meetings.

Copy of draft letter of appointment of aforesaid appointees setting out the terms and conditions of appointment is available for inspection by the members at the registered office of the Company.

Mr. Darshit Parikh, Mr. Ram Gaud and Mrs. Tejal Vala are interested in the resolution set out at Item No. 6 to 8 of the Notice with regard to their reappointment.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution. This statement may also be regarded as an appropriate disclosure under the Act and the Listing Regulations.

### Annexure - A

The relevant details of directors who is proposed to be re-appointed directors of the Company, as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SS-2 issued by the Company Secretaries of India are as under;

Particulars	Mr. Shripal Shah	Mr. Shreyas Shah
<b>Current Position</b>	Whole Time Director (Liable to retire by rotation) cum CFO	Whole Time Director (Liable to retire by rotation)
<b>Age</b>	34 Years	30 Years
<b>Qualification</b>	BMS, CFA	BMS, Gen. LLB
<b>Experience</b>	More than 10 Years in the field of investments and finance	More than 8 Years in the field of investments and finance
<b>Expertise in specific functional areas</b>	His functional responsibility is handling the overall business affairs of our Company and entire group including devising investment strategies, developing industry networks for further business development and overall development of the business of the Company.	His functional responsibility is handling the business development of the Company.
<b>Date of first Appointment</b>	October 24, 2008	May 29, 2013
<b>Remuneration Drawn</b>	₹ 11.25 Lacs (in FY 2017-18)	₹ 6.75 Lacs (in FY 2017-18)
<b>Remuneration proposed to be paid</b>	As per the resolution at item no. 4 of the Notice convening this Meeting read with explanatory statement thereto.	As per the resolution at item no. 5 of the Notice convening this Meeting read with explanatory statement thereto.
<b>Terms and Conditions of Re - Appointment</b>	As per the resolution at item no. 4 of the Notice convening this Meeting read with explanatory statement thereto, Mr. Shripal Shah is proposed to be re-appointed as Whole Time Director	As per the resolution at item no. 5 of the Notice convening this Meeting read with explanatory statement thereto, Mr. Shreyas Shah is proposed to be re-appointed as Whole Time Director
<b>Number of Board Meetings attended during the year</b>	Attended all the two meetings held till date in F.Y. 2018-19	Attended all the two meetings held till date in F.Y. 2018-19
<b>Shareholding in the Company</b>	90,000 Equity Shares	90,000 Equity Shares
<b>Relationship with Other Directors</b>	Mr. Shreyas Shah (Brother)	Mr. Shripal Shah (Brother)
<b>Directorship in other listed entities</b>	Aryaman Capital Markets Ltd Escorp Asset Management Ltd	Aryaman Capital Markets Ltd Escorp Asset Management Ltd
<b>Memberships / Chairmanship of Committees in other Companies</b>	Member in Audit Committee and Stakeholders Relationship Committee of Aryaman Capital Markets Limited and Escorp Asset Management Limited	None
<b>Other Directorships</b>	Mahshri Enterprises Pvt Ltd Aryaman Capital Markets Ltd Escorp Asset Management Ltd	Mahshri Enterprises Pvt Ltd Aryaman Capital Markets Ltd Escorp Asset Management Ltd



Particulars	Mr. Darshit Parikh	Mr. Ram Gaud	Mrs. Tejal Vala
<b>Current Position</b>	Independent Director	Independent Director	Independent Director
<b>Age</b>	33 Years	50 Years	34 Years
<b>Qualification</b>	B.COM, LLB, CS	B.COM, LLB, CS	M.COM
<b>Experience</b>	More than 9 Years in the field of Secretarial and Statutory Compliances.	More than 25 Years in the field of Secretarial and Statutory Compliances.	More than 15 Years in Business Development.
<b>Expertise in specific functional areas</b>	He has expertise in the areas of Secretarial Matters, Financial Matters and Statutory Compliances.	He has expertise in the areas of Secretarial Matters, Financial Matters and Statutory Compliances.	She has expertise in Business Development and Organisation Management.
<b>Date of first Appointment</b>	April 25, 2011	June 18, 2009	August 24, 2012
<b>Remuneration Drawn</b>	No remuneration paid except sitting fees for attending the meetings of the Company.		
<b>Terms and Conditions of Re - Appointment</b>	As per the resolution at item no. 6 to 8 of the Notice convening this Meeting read with explanatory statement thereto to re-appoint as an Independent Director .		
<b>Number of Board Meetings attended during the year</b>	Attended all the two meetings held till date in F.Y. 2018-19	Attended all the two meetings held till date in F.Y. 2018-19	Attended all the two meetings held till date in F.Y. 2018-19
<b>Shareholding in the Company</b>	Nil	260 Equity Shares	Nil
<b>Relationship with Other Directors</b>	None	None	None
<b>Directorship in other listed entities</b>	Corporate Courier And Cargo Limited Aryaman Capital Markets Limited Escorp Asset Management Limited	Aryaman Capital Markets Limited	None
<b>Memberships / Chairmanship of Committees in other Companies</b>	<ul style="list-style-type: none"> <li>Member in Audit Committee of Aryaman Capital Markets Limited</li> <li>Member in Nomination and Remuneration Committee and Chairman Audit Committee and Stakeholders Relationship Committee of Escorp Asset Management Limited</li> </ul>	Member in Audit Committee and Nomination and Remuneration Committee of Aryaman Financial Services Limited	None
<b>Other Directorships</b>	Corporate Courier And Cargo Limited Aryaman Capital Markets Limited Escorp Asset Management Limited Fyipe Technologies Private Limited	Aryaman Capital Markets Limited Paritosa Properties Private Limited Uttam Exports Private Limited Evergreen Tradeplace Private Limited	None



## BOARD'S REPORT

To,  
The Members,

Your Directors take pleasure in presenting their *Twenty Fourth Annual Report* on the Business and Operations of the Company and the Accounts for the Financial Year ended 31<sup>st</sup> March, 2018 (period under review).

### **1. FINANCIAL PERFORMANCE OF THE COMPANY:**

The summary of consolidated and standalone financial highlights for the financial year ended March 31, 2018 and previous financial year ended March 31, 2017 is given below:

(₹ in Lacs)

Particulars	Standalone		Consolidated	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
<b>Total Income</b>	<b>1,090.88</b>	<b>505.98</b>	<b>3,940.90</b>	<b>2,841.93</b>
Less: Expenditure	755.47	355.30	3,538.86	2,509.40
<b>Profit before Depreciation</b>	<b>335.41</b>	<b>150.68</b>	<b>402.04</b>	<b>332.53</b>
Less: Depreciation	11.51	10.77	19.07	17.03
<b>Profit before Tax</b>	<b>323.90</b>	<b>139.91</b>	<b>382.97</b>	<b>315.49</b>
Provision for Taxation	82.86	40.17	84.34	76.90
<b>Profit after Tax</b>	<b>241.04</b>	<b>99.74</b>	<b>298.63</b>	<b>238.59</b>

### **FINANCIAL PERFORMANCE:**

#### **Standalone:**

The Total Income of the Company stood at ₹ 1,090.88 Lacs for the year ended March 31, 2018 as against ₹ 505.98 Lacs in the previous year. The Company made a Net Profit of ₹ 241.04 Lacs for the year ended March 31, 2018 as compared to the Net Profit of ₹ 99.74 Lacs in the previous year.

#### **Consolidated:**

The Consolidated Total Income was higher by 38.67% at ₹ 3,940.90 Lacs for the financial year ended March 31, 2018 as against ₹ 2,841.88 Lacs during the previous financial year. Consolidated Net Profit was higher at ₹ 298.63 Lacs for the year ended March 31, 2018 as compared to ₹ 238.56 Lacs in the previous year registering an increase of 25.18%.

The consolidated financials reflect the cumulative performance of the Company together with its subsidiaries. Detailed description about the business carried on by these entities including the Company is contained in the Management Discussion and Analysis report forming part of this Annual Report.

### **2. DIVIDEND:**

The dividend policy for the year under review has been formulated taking into consideration of growth of the company and to conserve resources, the Directors do not recommend any dividend for year ended March 31, 2018.

### **3. STATE OF AFFAIRS OF THE COMPANY:**

Information on the operations and financial performance, among others for the period under review, is given in the Management Discussion and Analysis Report which is annexed to this Report and is in accordance with the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015

#### **4. DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

##### **i. Change in Directors**

There is no change in directorship of Board of Directors, during the period under review.

##### **ii. Committees of Board of Directors**

There is no change in Committees of Board of Directors.

##### **iii. Independent Directors**

Independent Directors have provided their confirmation, that they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013. An independent director shall hold office for a term up to five consecutive years on the Board of a Company, but shall be eligible for reappointment for next five years on passing of a special resolution by the Company

##### **iv. Retirement by Rotation of the Directors**

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Shripal Shah, Executive Director of the Company, retires by rotation and offers himself for re- appointment.

The brief resume of Mr. Shripal Shah, the nature of his expertise in specific functional areas, names of the companies in which he has held directorships, her shareholding etc. are furnished in the “Annexure A” to notice of the ensuing AGM.

##### **v. Key Managerial Personnel**

During the period under review, there are no changes in Key Managerial Personnel’s of the Company.

##### **vi. Re-appointment of Directors**

The Board of Directors on recommendation of Nomination and Remuneration Committee has recommended for re-appointment of Whole Time Directors and Independent Directors of the Company for a period of 5 years w.e.f April 01, 2019 to March 31,2019.

#### **5. MEETINGS:**

During the year, Five Board Meetings were convened and duly held. The details of which are given in 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.

#### **6. AUDIT COMMITTEE:**

The Audit Committee comprises of, Mr. Darshit Parikh (Chairman), Mr. Shripal Shah (Member) and Mr. Ram Gaud (Member). Powers and role of the Audit Committee are included in the Corporate Governance Report. All the recommendation made by the Audit Committee were accepted by the Board of Directors.

#### **7. BOARD EVALUATION:**

Your Board has devised an Evaluation Policy for evaluating the performance of the Board, its Committees, Executive Directors, Independent Directors. Based on the same, the performance was evaluated for the financial year ended March 31, 2018. As part of the evaluation process, the performance of Non- Independent Directors, the Chairman and the Board was

conducted by the Independent Directors. The performance evaluation of the respective Committees and that of Independent and Non- Independent Directors was done by the Board excluding the Director being evaluated.

The policy inter alia provides the criteria for performance evaluation such as Board effectiveness, quality of discussion, contribution at the meetings, business acumen, strategic thinking, time commitment, and relationship with the stakeholders, corporate governance practices, contribution of the committees to the Board in discharging its functions etc.

The Board carried out formal annual evaluation of its own performance and that of its Committees viz., the Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee (NRC). The Board also carried out the performance evaluation of all the individual directors including the Chairman of the Company. Additionally, NRC also carried out the evaluation of the performance of all the individual directors and Chairman of the Company. The performance evaluation was carried out by way of obtaining feedback from the Directors through a structured questionnaire prepared in accordance with the policy adopted by the Board and after taking into consideration the Guidance Note on Board Evaluation issued by Securities and Exchange Board of India.

The feedback received from the Directors through the above questionnaire was reviewed by the Chairman of the Board and the Chairman of the NRC and then discussed the same at the meetings of the Board and NRC respectively. The performance evaluation of the Chairman, Whole Time Director and the Board as a whole was carried out by the Independent Directors at their separate meeting.

## **8. EXTRACT OF ANNUAL RETURN:**

As required pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of Annual Return in **MGT-9** is annexed as a part of this Annual Report as "*Annexure I*".

## **9. REMUNERATION POLICY:**

The Company has framed a Nomination and Remuneration Policy pursuant to Section 178 of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015. The Policy is provided in Annexed to this Report as "*Annexure II*".

## **10. AUDITORS:**

### **i. Statutory Auditors:**

Subject to the amendment stated in The Companies Amendment Act, 2017 read with Notification S.O. 1833(E) dated 7<sup>th</sup> May 2018 deleting the provision of annual ratification of the appointment of auditor, the requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is done away with and no resolution has been proposed for the same.

### **ii. Secretarial Auditor:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed JNG & CO., a firm of Company Secretaries in Practice (CP No. 8108), to undertake the Secretarial Audit of the Company for the F.Y. 2017-18. The Secretarial Audit Report for F.Y. 2017-18 is annexed herewith as "*Annexure III*".

### **iii. Cost Auditor:**

Your Company is principally engaged into Merchant Banking. Therefore, Section 148 of the Companies Act, 2013 is not applicable to the Company.

**11. AUDITOR'S REPORT:**

The Auditor's Report and Secretarial Auditor's Report does not contain any qualifications, reservations or adverse remarks. Report of the Secretarial Auditor is given as an Annexure, which forms part of this report.

**12. VIGIL MECHANISM:**

In pursuance of the provisions of section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism for Directors and Employees to report genuine concerns has been established. The Vigil Mechanism Policy has been uploaded on the website of the Company at <http://afsl.co.in/investor-relation.html>.

**13. INTERNAL AUDIT & CONTROLS:**

Pursuant to provisions of Section 138 read with rules made there under, the Board has appointed Thakur & Co., Chartered Accountants, as an Internal Auditors of the Company to check the internal controls and functioning of the activities and recommend ways of improvement. The Internal Audit is carried out quarterly basis; the report is placed in the Audit Committee Meeting and the Board Meeting for their consideration and direction.

The Internal Financial Controls with reference to financial statements as designed and implemented by the Company are adequate. During the year under review, no material or serious observation has been received from the Internal Auditors of the Company for inefficiency or inadequacy of such controls.

**14. RISK ASSESSMENT AND MANAGEMENT:**

Your Company has been on a continuous basis reviewing and streamlining its various operational and business risks involved in its business as part of its risk management policy. Your Company also takes all efforts to train its employees from time to time to handle and minimize these risks.

**15. LISTING WITH STOCK EXCHANGES:**

Aryaman Financial Services Limited continues to be listed on BSE Limited. It has paid the Annual Listing Fees for the year 2017-2018 to BSE Limited.

**16. SUBSIDIARY COMPANIES AND CONSOLIDATED FINANCIAL STATEMENT:**

As on March 31, 2018, your Company has 2 subsidiaries (Aryaman Capital Markets Limited & Escorp Asset Management Limited). There are no associate companies or joint venture companies within the meaning of Section 2(6) of the Act. There are no changes in subsidiaries, during the period under review.

The Annual Accounts of the above referred subsidiary shall be made available to the shareholders of the Company and of the subsidiary company on request and will also be kept open for inspection at the Registered Office of the Company and of the subsidiary companies during the office hours on all working days and during the Annual General Meeting. Company's consolidated financial statements included in this Annual Report incorporates the accounts of its subsidiaries prepared as per "Ind-AS 110 Consolidated Financial Statements". Pursuant to the provisions of Section 129(3) of the Act, a statement containing the salient features of financial statements of the Company's subsidiaries in Form AOC-1 is attached to the financial statements of the Company as "Annexure IV".

**17. COMPLIANCE WITH SECRETARIAL STANDARDS:**

The Company is fully compliant with the applicable Secretarial Standards (SS) viz. SS-1 & SS-2 on Meetings of the Board of Directors and General Meetings respectively.

## **18. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

### **i. Conservation of Energy**

- a) **The steps taken or impact on conservation of energy** – The Operations of the Company are not energy intensive. However, adequate measures have been initiated for conservation of energy.
- b) **The steps taken by the Company for utilizing alternate source of energy** – Company shall consider on adoption of alternate source of energy as and when necessities.
- c) **The Capital Investment on energy conversation equipment** – No Capital Investment yet.

### **ii. Technology absorption**

- a) **The efforts made towards technology absorption.** – Minimum technology required for Business is absorbed.
- b) **The benefits derived like product improvement, cost reduction, product development or import substitution** – Not Applicable.
- c) **In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)** – Not Applicable.
  - a. the details of technology imported;
  - b. the year of import;
  - c. whether the technology been fully absorbed;
  - d. if not fully absorbed, areas where absorption has not taken place, and the reasons thereof

### **iii. The expenditure incurred on Research and Development** – Not Applicable.

## **19. PARTICULARS OF LOANS, INVESTMENTS AND GUARANTEES:**

Particulars of loans given, investments made, guarantees given and securities provided are provided in the financial statements.

## **20. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:**

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. Thus Disclosure in form AOC-2 is not required. Further, during the year, the Company had not entered into any contract / arrangement /transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions. All related party transactions are placed before the Audit Committee and Board for review and approval, if required. The details of the related party transactions as required under Indian Accounting Standard (Ind AS) 110 are set out in Note to the financial statements forming part of this Annual Report.

## **21. DEPOSITS:**

Your Company did not accept / hold any deposits from public / shareholders during the year under review.

## **22. SIGNIFICANT AND MATERIAL ORDERS:**

There are no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

### **23. OBLIGATION OF COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

In accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules made there under, the Company has framed and adopted the policy for Prevention of Sexual Harassment at Workplace. Company was not in receipt of any complaint of sexual harassment.

### **24. HUMAN RESOURCES:**

Your Company considers people as its biggest assets and ‘Believing in People’ is at the heart of its human resource strategy. It has put concerted efforts in talent management and succession planning practices, strong performance management and learning and training initiatives to ensure that your Company consistently develops inspiring, strong and credible leadership.

Your Company has established an organization structure that is agile and focused on delivering business results. With regular communication and sustained efforts it is ensuring that employees are aligned on common objectives and have the right information on business evolution. Your Company strongly believes in fostering a culture of trust and mutual respect in all its employees seek to ensure that business world values and principles are understood by all and are the reference point in all people matters.

Statement of Disclosure of Remuneration under Section 197 of the Act and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (“Rules”), is annexed as “Annexure V”.

The current workforce breakdown structure has a good mix of employees at all levels. Your Board confirms that the remuneration is as per the remuneration policy of the Company.

### **25. CORPORATE GOVERNANCE:**

Pursuant to SEBI (LODR) Regulations, 2015, the report on Corporate Governance during the period under review with the Certificate issued by M/s JNG and Co., Practicing Company Secretaries, on compliance in this regards forms part of this Annual Report.

### **26. 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, confirm that:

- i. In the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures.
- ii. They have selected such accounting policies and applied them consistently and made judgments 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 profit of the Company for that period.
- iii. They have taken proper and sufficient care for the 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 fraud and other irregularities.
- iv. They have prepared the annual accounts on a going concern basis.
- v. They have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively.



- vi. They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors and external consultants and the reviews performed by management and the relevant board committees, including the audit committee, the board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2017-18.

## **27. CAUTIONARY STATEMENTS:**

Statements in this Annual Report, particularly those which relate to Management Discussion and Analysis as explained in the Corporate Governance Report, describing the Company's objectives, projections, estimates and expectations may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied in the statement depending on the circumstances.

## **28. ACKNOWLEDGEMENTS:**

Your Directors would like to express deep sense of appreciation for the assistance and co-operation received from the Financial Institutions, Banks, Government Authorities and Shareholders and for the devoted service by the Executives, staff and workers of the Company. The Directors express their gratitude towards each one of them.

### **Registered Office:**

102, Ganga Chambers,  
6A/1, W.E.A., Karol Bagh,  
New Delhi – 110 0051

**Tel :** 022 – 6216 6999

**Fax:** 022 – 2263 0434

**CIN:** L74899DL1994PLC059009

**Website:** <http://www.afsl.co.in>

**Email:** [info@afsl.co.in](mailto:info@afsl.co.in)

By Order Of The Board Of Directors  
**FOR ARYAMAN FINANCIAL SERVICES LIMITED**

Sd/-  
**Shripal Shah**  
**DIN: 01628855**  
(Chairman & Executive Director)  
Mumbai, Tuesday, August 14, 2018

**Annexures to Board's Report (Contd).**
*Annexure – I*
**FORM NO. MGT-9**
**Extract of Annual return as on financial year ended on 31.03.2018**

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

**I. REGISTRATION & OTHER DETAILS:**

<b>i</b>	<b>CIN</b>	L74899DL1994PLC059009
<b>ii</b>	<b>Registration Date</b>	May 11, 1994
<b>iii</b>	<b>Name of the Company</b>	Aryaman Financial Services Limited
<b>iv</b>	<b>Category/Sub-category of the Company</b>	Public Company / Company Limited by Shares
<b>v</b>	<b>Address of the Registered office &amp; contact details</b>	102, Ganga Chambers, 6a/1, W.E.A, Karol Bagh, New Delhi, Delhi - 110 005 Tel. No. : 022 -6216 6999 E-Mail id: <a href="mailto:info@afsl.co.in">info@afsl.co.in</a>
<b>vi</b>	<b>Whether listed company</b>	Yes (BSE Ltd)
<b>vii</b>	<b>Name, Address &amp; contact details of the Registrar &amp; Transfer Agent, if any.</b>	Adroit Corporate Services Pvt. Ltd. 19/20, Jafferboy Industrial Estate 1st Floor, Makwana Road, Marol Naka, Andheri (E), Mumbai – 400 059 Tel. No. : 022 – 4227 0423 E-Mail id: <a href="mailto:sandeeph@adroitcorporate.com">sandeeph@adroitcorporate.com</a>

**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:

<b>Sr. No.</b>	<b>Name &amp; Description of main products/services</b>	<b>NIC Code of the Product / Service</b>	<b>% to total turnover of the company</b>
1	Income from Merchant Banking Fees	6612	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES:**

<b>Sr. No</b>	<b>Name of the Company</b>	<b>Address of the Company</b>	<b>CIN/GLN</b>	<b>Holding or Subsidiary or Associate</b>	<b>% OF SHARE S HELD</b>	<b>APPLICABLE SECTION</b>
1	Mahshri Enterprises Private Limited	2, Neel Sagar, A.G. Khan Road, Worli, Mumbai – 400 018	U74140MH2006PTC165813	Holding	60.63%	Section 2(41)
2	Aryaman Capital Markets Limited	60, Khatau Building, Ground Floor, Alkesh Dinesh Modi Marg,	L65999MH2008PLC184939	Subsidiary	74.28%	Section 2(87)
3	Escorp Asset Management Limited	Fort, Mumbai – 400 001	L17121MH2011PLC213451	Subsidiary	52.47%	Section 2(87)

#### **IV. SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAK UP AS % TO 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	Total (%)	Demat	Physical	Total	Total (%)	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	-	1,80,000	1,80,000	1.54	1,80,000	-	1,80,000	1.54	-
b) Central or State Govt.	-	-	-	-	-	-	-	-	-
c) Bodies Corporates	70,83,030	-	70,83,030	60.63	70,83,030	-	70,83,030	60.63	-
d) Bank/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
<b>Sub Total:(A) (1)</b>	<b>70,83,030</b>	<b>1,80,000</b>	<b>72,63,030</b>	<b>62.17</b>	<b>72,63,030</b>	<b>-</b>	<b>72,63,030</b>	<b>62.17</b>	<b>-</b>
<b>(2) Foreign</b>									
a) NRI - Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL (A) (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	<b>70,83,030</b>	<b>1,80,000</b>	<b>72,63,030</b>	<b>62.17</b>	<b>72,63,030</b>	<b>-</b>	<b>72,63,030</b>	<b>62.17</b>	<b>-</b>
<b>B. PUBLIC SHAREHOLDING</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	-	700	700	0.01	-	-	-	-	-
b) Banks/FI	-	800	800	0.01	-	800	800	0.01	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-
e) Venture Capital Fund	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIS	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL (B)(1):</b>	<b>-</b>	<b>1,500</b>	<b>1,500</b>	<b>0.01</b>	<b>-</b>	<b>800</b>	<b>800</b>	<b>0.01</b>	<b>-</b>
<b>(2) Non Institutions</b>									
a) Bodies corporate									
ai) Indian	19,18,149	3,000	19,21,149	16.45	14,57,428	3,000	14,60,428	12.50	(3.94)
aii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs.1 Lacs	2,02,271	2,28,861	4,31,132	3.69	1,95,166	2,21,533	4,16,699	3.57	-0.12
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 Lacs	13,76,655	6,86,400	20,63,055	17.66	23,79,126	1,59,400	25,38,526	21.73	4.07
c) Others (specify)	-	-	-	-	-	-	-	-	-
c-1) Non Resident Indians (Individuals)	2,034	-	2,034	0.02	2,034	-	2,034	0.02	-
c-2) Clearing Member	100	-	100	-	483	-	483	-	-
<b>SUB TOTAL (B)(2):</b>	<b>34,99,209</b>	<b>9,18,261</b>	<b>44,17,470</b>	<b>37.82</b>	<b>40,34,237</b>	<b>3,83,933</b>	<b>44,18,170</b>	<b>37.82</b>	<b>-</b>
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>34,99,209</b>	<b>9,19,761</b>	<b>44,18,970</b>	<b>37.83</b>	<b>40,34,237</b>	<b>3,83,933</b>	<b>44,18,970</b>	<b>37.83</b>	<b>-</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total (A+B+C)</b>	<b>1,05,82,239</b>	<b>10,99,761</b>	<b>1,16,82,000</b>	<b>100</b>	<b>1,12,97,267</b>	<b>3,84,733</b>	<b>1,16,82,000</b>	<b>100</b>	<b>-</b>

**(ii) SHAREHOLDING OF PROMOTERS:**

Sr. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding 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	Mahshri Enterprises Pvt Ltd	70,83,030	60.63	-	70,83,030	60.63	-	-
2	Shripal Shah	90,000	0.77	-	90,000	0.77	-	-
3	Shreyas Shah	90,000	0.77	-	90,000	0.77	-	-
	<b>Total</b>	<b>72,63,030</b>	<b>62.17</b>	<b>-</b>	<b>72,63,030</b>	<b>62.17</b>	<b>-</b>	<b>-</b>

**(iii) CHANGE IN PROMOTERS' SHAREHOLDING:**

Sr. No.	Name	At the beginning of the year / End of the year		Date of changes of shareholding	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-17 to 31-03-18)	
		Number of Shares	%				Number of Shares	%
1	Mahshri Enterprises Pvt Ltd	70,83,030	60.63	01/04/2017	-	-	70,83,030	60.63
		70,83,030	60.63	31/03/2018	-	-	70,83,030	60.63
2	Shripal Shah	90,000	0.77	01/04/2017	-	-	90,000	0.77
		90,000	0.77	31/03/2018	-	-	90,000	0.77
3	Shreyas Shah	90,000	0.77	01/04/2017	-	-	90,000	0.77
		90,000	0.77	31/03/2018	-	-	90,000	0.77

**(IV) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS & HOLDERS OF GDRS & ADRS):**

Sr. No.	Name of Shareholder's	Changes	As On Date	No. of Shares held at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Shri Parasram Holdings Pvt.Ltd.	At the beginning of the year	01/04/2017	5,68,725	4.87	5,68,725	4.87
		Date wise Increase / Decrease in Share holding during the year	07/04/2017	325	-	5,69,050	5.18
			14/04/2017	-350	-	5,68,700	4.87
			21/04/2017	-250	-	5,68,450	4.87
			28/04/2017	34,700	0.30	6,03,150	5.16

Sr. No.	Name of Shareholder's	Changes	As On Date	No. of Shares held at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
			05/05/2017	1,23,000	1.05	7,26,150	6.22
			12/05/2017	-50	-	7,26,100	6.22
			23/06/2017	1,000	0.01	7,27,100	6.22
			30/06/2017	4,500	0.04	7,31,600	6.26
			28/07/2017	-1,54,500	1.32	5,77,100	4.94
			11/08/2017	31,000	0.27	6,08,100	5.21
			25/08/2017	1	-	6,08,101	5.21
			08/09/2017	-54,001	0.46	5,54,100	4.74
			15/09/2017	4	-	5,54,104	4.74
			22/09/2017	-4	-	5,54,100	4.74
			31/10/2017	-3,57,650	3.06	1,96,450	1.68
			10/11/2017	3	-	1,96,453	1.68
			17/11/2017	-2	-	1,96,451	1.68
			24/11/2017	30,000	0.26	2,26,451	1.94
			08/12/2017	-1	0.00	2,26,450	1.94
		<b>At the End of the year</b>	31/03/2018	0	0.00	2,26,450	1.94
2	Shri Ravindra Media Ventures	<b>At the beginning of the year</b>	01/04/2017	-	-	-	-
		Date wise Increase / Decrease in Share holding during the year	15/09/2017	3,53,975	3.03	3,53,975	3.03
		<b>At the End of the year</b>	31/03/2018	-	-	3,23,975	2.77
3	Manlike Chemical And Pharmacheutical Company	<b>At the beginning of the year</b>	01/04/2017	2,70,000	2.31	2,70,000	2.31
		Date wise Increase / Decrease in Share holding during the year	01/09/2017	29,975	0.26	2,99,975	2.57
			08/09/2017	54,000	0.46	3,53,975	3.03
			15/09/2017	-3,53,975	3.03	-	-
		<b>At the End of the year</b>	31/03/2018	-	-	-	-
4	Babulal Vadilal Shah	<b>At the beginning of the year</b>	01/04/2017	3,02,000	2.59	3,02,000	2.59
		<b>At the End of the year</b>	31/03/2018	-	-	3,02,000	2.59
5	Yogdarshan Commercial Trading Pvt Ltd	<b>At the beginning of the year</b>	01/04/2017	2,20,000	1.88	2,20,000	1.88
		Date wise Increase / Decrease in Share holding during the year	23/02/2018	-1,70,000	1.46	50,000	0.43
			02/03/2018	-50,000	0.43	-	-
		<b>At the End of the year</b>	31/03/2018	-	-	-	-
6	Goldmine Stocks Pvt Ltd	<b>At the beginning of the year</b>	01/04/2017	1,36,000	1.16	1,36,000	1.16
		Date wise Increase / Decrease in Share holding during the year	05/01/2018	-1,36,000	1.16	-	-
			09/02/2018	2,00,000	1.71	2,00,000	1.71
			16/02/2018	-1,20,000	1.03	80,000	0.68
			23/02/2018	-80,000	0.68	-	-

Sr. No.	Name of Shareholder's	Changes	As On Date	No. of Shares held at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
			23/03/2018	18,962	0.16	18,962	0.16
			30/03/2018	-18,962	0.16	-	-
		<b>At the End of the year</b>	31/03/2018	-	-	-	-
7	Amar Mukeshkumar Shah	<b>At the beginning of the year</b>	01/04/2017	2,00,000	1.71	2,00,000	1.71
		Date wise Increase / Decrease in Share holding during the year	09/02/2018	-2,00,000	1.71	-	-
		<b>At the End of the year</b>	31/03/2018	-	-	-	-
8	Harsha Rajesh Jhaveri	<b>At the beginning of the year</b>	01/04/2017	-	-	-	-
		Date wise Increase / Decrease in Share holding during the year	02/03/2018	1,50,000	1.28	1,50,000	1.28
			09/03/2018	41,000	0.35	1,91,000	1.63
		<b>At the End of the year</b>	31/03/2018	-	-	1,91,000	1.63
9	Tia Enterprises Pvt Ltd	<b>At the beginning of the year</b>	01/04/2017	70,000	0.60	70,000	0.60
		Date wise Increase / Decrease in Share holding during the year	28/04/2017	5,000	0.04	75,000	0.64
			05/05/2017	35,000	0.30	1,10,000	0.94
			23/06/2017	3,000	0.03	1,13,000	0.97
			28/07/2017	77,000	0.66	1,90,000	1.63
			08/09/2017	812	0.01	1,90,812	1.63
		<b>At the End of the year</b>	31/03/2018	-	-	1,90,812	1.63
10	India Finsec Ltd	<b>At the beginning of the year</b>	01/04/2017	1,74,000	1.49	1,74,000	1.49
		Date wise Increase / Decrease in Share holding during the year	23/11/2017	-14,000	0.66	1,60,000	7.58
			24/11/2017	14,000	0.12	1,74,000	1.49
		<b>At the End of the year</b>	31/03/2018	-	-	1,74,000	1.49
11	Max growth capital Pvt. Ltd	<b>At the beginning of the year</b>	01/04/2017	1,37,500	1.18	1,37,500	1.18
		Date wise Increase / Decrease in Share holding during the year	28/04/2017	4,350	0.04	1,41,850	1.21
			28/07/2017	19,000	0.16	1,60,850	1.38
			04/08/2017	7,000	0.06	1,67,850	1.44
			18/08/2017	3,975	0.03	1,71,825	1.47
			01/09/2017	-1,05,825	0.91	66,000	0.56
			08/09/2017	-66,000	0.56	-	-
			06/10/2017	5,500	0.05	5,500	0.05
			23/11/2017	-5,500	0.26	0	0.00
			24/11/2017	5,500	0.05	5,500	0.05
			25/01/2018	6,000	0.05	11,500	0.10
			23/02/2018	85,000	0.73	96,500	0.83
		<b>At the End of the year</b>	31/03/2018	-	-	96,500	0.83



Sr. No.	Name of Shareholder's	Changes	As On Date	No. of Shares held at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
12	Ambitious Associates Pvt Ltd	At the beginning of the year	01/04/2017	1,61,000	1.38	1,61,000	1.38
		At the End of the year	31/03/2018	-	-	1,61,000	1.38
13	Gopal Bansal	At the beginning of the year	01/04/2017	-	-	-	-
		Date wise Increase / Decrease in Share holding during the year	28/07/2017	1,50,000	1.28	1,50,000	1.28
		At the End of the year	31/03/2018	-	-	1,50,000	1.28
14	Vipul Haridas Thakkar	At the beginning of the year	01/04/2017	-	-	-	-
		Date wise Increase / Decrease in Share holding during the year	16/02/2018	50,000	0.43	50,000	0.43
			16/03/2018	1,00,000	0.86	1,50,000	1.28
		At the End of the year	31/03/2018	-	-	1,50,000	1.28
15	Vishal Sharma	At the beginning of the year	01/04/2017	-	-	-	-
		Date wise Increase / Decrease in Share holding during the year	31/10/2017	1,28,650	1.10	1,28,650	1.10
		At the End of the year	31/03/2018	-	-	1,28,650	1.10
16	Jikisha Jain	At the beginning of the year	01/04/2017	92,000	0.79	92,000	0.79
		At the End of the year	31/03/2018	-	-	92,000	0.79

**Note:** % means % of total shares of the company

**(V) SHAREHOLDING OF DIRECTORS & KMP:**

Sr. No.	Name	At the beginning of the year / End of the year		Date of changes of shareholding	Increase / Decrease in share-holding	Reason	Cumulative Shareholding during the year (01-04-17 to 31-03-18)	
		Number of Shares	%				Number of Shares	%
1	Shripal Shah	90,000	0.77	01/04/2017	-	-	90,000	0.77
		90,000	0.77	31/03/2018	-	-	90,000	0.77
2	Shreyas Shah	90,000	0.77	01/04/2017	-	-	90,000	0.77
		90,000	0.77	31/03/2018	-	-	90,000	0.77
3	Ram Gaud	260	-	01/04/2017	-	-	260	-
		260	-	31/03/2018	-	-	260	-

**V. INDEBTEDNESS:**

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(In ₹)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtness at the beginning of the financial year</b>				
i) Principal Amount	28,56,567	-	-	28,56,567
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>28,56,567</b>	-	-	<b>28,56,567</b>
<b>Change in Indebtedness during the financial year</b>	-	-	-	-
Additions	-	-	-	-
Reduction	(7,19,379)	-	-	(7,19,379)
<b>Net Change</b>	<b>(7,19,379)</b>	-	-	<b>(7,19,379)</b>
<b>Indebtedness at the end of the financial year</b>	-	-	-	-
i) Principal Amount	21,37,188	-	-	21,37,188
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>21,37,188</b>	-	-	<b>21,37,188</b>

## **VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

### **A. Remuneration to Managing Director, Whole time director and/or Manager:**

(In ₹)

Sr. No	Particulars of Remuneration	Mr. Shripal Shah (Whole Time Director)	Mr. Shreyas Shah (Whole Time Director)	Total Amount
1	<b>Gross salary*</b>	-	-	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	9,75,000	6,00,000	15,75,000
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	-	-	
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	
2	Stock option	-	-	
3	Sweat Equity	-	-	
4	Commission as % of profit others (specify)	-	-	
5	Others, please specify	-	-	
	<b>Total (A)</b>	<b>9,75,000</b>	<b>6,00,000</b>	<b>15,75,000</b>

### **B. Remuneration to other directors:**

(In ₹)

Sr. No	Particulars of Remuneration	Name of the Directors			Total Amount
1	<b>Independent Directors</b>	<b>Mr. Ram Gaud</b>	<b>Mr. Darshit Parikh</b>	<b>Mrs. Tejal Vala</b>	
	(a) Fee for attending board /committee meetings	40,000	40,000	20,000	1,00,000
	(b) Commission	-	-	-	-
	(c) Others, please specify	-	-	-	-
	<b>Total (1)</b>	<b>40,000</b>	<b>40,000</b>	<b>20,000</b>	<b>1,00,000</b>

<b>2</b>	<b>Other Non Executive Directors</b>				
	(a) Fee for attending board committee meetings	-	-	-	-
	(b) Commission	-	-	-	-
	(c) Others please specify.	-	-	-	-
	<b>Total (2)</b>	-	-	-	-
<b>3</b>	<b>Total (B)=(1+2)</b>	<b>40,000</b>	<b>40,000</b>	<b>20,000</b>	<b>1,00,000</b>
<b>Total Managerial Remuneration</b>		<b>16,75,000</b>			
<b>Overall Ceiling as per the Act.</b>		The total managerial remuneration is within the ceilings prescribed.			

**C. Remuneration To Key Managerial Personnel Other Than Managing Director/Manager/Whole Time Director:**

(In ₹)

Sr. No.	Particulars of Remuneration	Shripal Shah (CFO)	Deepesh Jain (CS)	Total
<b>1</b>	<b>Gross Salary</b>			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	9,75,000	7,65,000	17,40,000
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
<b>2</b>	Stock Option	-	-	-
<b>3</b>	Sweat Equity	-	-	-
<b>4</b>	Commission as % of profit	-	-	-
<b>5</b>	Others, please specify	-	-	-
	<b>Total (1+2+3+4+5)</b>	<b>9,75,000</b>	<b>7,65,000</b>	<b>17,40,000</b>

**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)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

**Annexures to Board's Report (Contd).**

Annexure – II

**Form No. MR-3**

**Secretarial Audit Report for the Financial Year ended 2018**

***[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]***

To,  
The Members,  
**Aryaman Financial Services Limited**  
102, Ganga Chambers,  
6A/1, W.E.A., Karol Bagh,  
New Delhi – 110055

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Aryaman Financial Services Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2018 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 as per Annexure I for the financial year ended on March 31, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(Not applicable to the Company during the Audit Period)**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - ii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - iii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not applicable to the Company during the Audit Period)**
  - iv. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(Not applicable to the Company during the Audit Period)**
  - v. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the Audit Period)**
  - vi. 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;
  - vii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the Audit Period)** and
  - viii. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable to the Company during the Audit Period)**

(vi) Other laws as applicable specifically to the company as informed by the management that Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992.

We 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 SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015;

I further report that, based on the information provided and the representation made by the Company and also on the review of the compliance reports of Company Secretary / Chief Executive Officer taken on record by the Board of Directors of the Company, in my opinion, adequate systems and processes exist in the Company to monitor and ensure compliance with provisions of applicable general laws.

I further report that, the compliance by the Company of applicable financial laws like direct and indirect tax laws and maintenance of financial records and books of accounts has not been reviewed in this Audit since the same have been subject to review by statutory financial audit and other designated professionals.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, mentioned hereinabove and there is adequate compliance management system for the purpose of other laws. We have relied on the representations made by the Company and its officers for systems and mechanisms formed by the Company for compliances under other laws and regulations applicable to the Company.

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.

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

Majority decisions of the Board and committee meetings are carried out unanimously as recorded in the minutes of the meeting of the board of directors or committees thereof as the case may be. There were no dissenting views of any member of the Board or committees thereof during the period under review.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period there were no specific events / actions having a major bearing on the affairs of the Company in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

**For JNG & Co.,**

**Place:** Mumbai

**Date:** August 14, 2018

**Note:** This report is to be read with our letter of even date which is annexed as **Annexure II** and forms an integral part of this report.

**Sd/-**  
**Jigarkumar Gandhi**  
**FCS: 7569**  
**C.P. No. 8108**

## **Annexure - I**

List of documents verified

1. Memorandum & Articles of Association of the Company.
2. Minutes of the meetings of the Board of Directors and various committees comprising of Audit Committee, Nomination & Remuneration Committee etc. held during the period under report.
3. Minutes of General Body Meetings held during the period under report.
4. Statutory Registers/Records under the Companies Act and rules made there under
5. Agenda papers submitted to all the directors / members for the Board Meetings and Committee Meetings.
6. Declarations received from the Directors of the Company pursuant to the provisions of 184 of the Companies Act, 2013.
7. E-Forms filed by the Company, from time-to-time, under applicable provisions of the Companies Act, 1956 and Companies Act, 2013 and attachments thereof during the period under report.
8. Intimations received from directors under the prohibition of Insider Trading and SEBI Takeover Code
9. Various policies framed by the company from time to time as required under the statutes applicable to the company.
10. Processes and procedure followed for Compliance Management System for applicable laws to the Company
11. Communications / Letters issued to and acknowledgements received from the Independent directors for their appointment
12. Various policies framed by the company from time to time as required under the Companies Act as well as listing agreement/SEBI LODR Regulations.

## **Annexure -II**

To,  
 The Members,  
**Aryaman Financial Services Limited**  
 102, Ganga Chambers, 6A/1, W.E.A., Karol Bagh, New Delhi – 110055

Sub: Secretarial Audit Report for the Financial Year ended on 31<sup>st</sup> March, 2018

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. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records.
3. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, I followed provide a reasonable basis for our opinion.
4. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
5. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
6. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management and my examination was limited to the verification of procedures on test basis.
7. 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.

**For JNG & Co.,**

**Sd/-**  
**Jigarkumar Gandhi**  
**FCS: 7569**  
**C.P. No. 8108**

**Place:** Mumbai  
**Date:** August 14, 2018



**Annexure's to Board's Report (Contd).**
***Annexure – III***
**Remuneration Policy**

This Remuneration Policy relating to remuneration for the directors, key managerial personnel and other employees, has been formulated by the Nomination and Remuneration Committee (hereinafter “Committee”) and approved by the Board of Directors.

**Objectives:**

The objectives of this policy are to stipulate criteria for:

- Appointment, reappointment, removal of Directors, KMPs and Senior Management
- Determining qualifications, positive attributes and independence of a director and recommend to the Board
- Retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage to run the operations of the Company successfully
- Consider and determine the remuneration, based on the fundamental principles of payment for performance, for potential, and for growth

**Criteria for Appointment:**

- Ethical standards of integrity and probity, qualification, expertise and experience of the person for appointment
- Age, number of years of service, specialized expertise and period of employment or association with the Company
- Special achievements and operational efficiency which contributed to growth in business in the relevant functional area
- Constructive and active participation in the affairs of the Company
- Exercising the responsibilities in a bonafide manner in the interest of the Company
- Sufficient devotion of time to the assigned tasks
- Diversity of the Board
- Demonstrable leadership qualities and interpersonal communication skills, devote to the role, compliant with the rules, policies and values of the Company and does not have any conflicts of interest
- Transparent, unbiased and impartial and in accordance with appropriate levels of confidentiality.
- Appointment of Directors and KMPs in compliance with the procedure laid down under the provisions of the Companies Act, 2013, rules made thereunder or any other enactment for the time being in force

**Criteria for Remuneration:**

The Remuneration Policy reflects on certain guiding principles of the Company such as aligning remuneration with the longer term interests of the Company and its shareholders, promoting a culture of meritocracy and creating a linkage to corporate and individual performance, and emphasizing on line expertise and market competitiveness so as to attract the best talent. It also ensures the effective recognition of performance and encourages a focus on achieving superior operational results.

The level and composition of remuneration shall be reasonable and sufficient to attract, retain and motivate the directors, key managerial personnel and other employees of the quality required to run the Company successfully. The relationship of remuneration to performance should be clear and meet appropriate performance benchmarks. The remuneration to directors, key managerial personnel and senior management personnel should also involve a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

The remuneration of the Non-Executive Directors shall be based on their contributions and current trends, subject to regulatory limits. Sitting fees is paid for attending each meeting(s) of the Board and Committees thereof. Additionally equal amount of commission may be paid to Non executive directors on a pro-rata basis, within limits approved by shareholders.

**Annexures to Board's Report (Contd).**
*Annexure – IV*
**Form AOC-1**

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

**Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures**
**Part “A”: Subsidiaries:**
**(₹ in Lacs)**

Sr. No.	Name of the subsidiary	1	2
		Aryaman Capital Markets Limited	Escorp Asset Management Limited
1.	The date since when subsidiary was acquired	22 <sup>nd</sup> July 2008	31 <sup>st</sup> May 2016
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A.	N.A.
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	N.A.	N.A.
4.	Share capital	1197.71	667.00
5.	Other Equity	828.69	814.89
6.	Total assets	3856.29	1503.57
7.	Total Liabilities	1829.89	21.68
8.	Investments	2314.75	1199.11
9.	Turnover	2820.92	29.10
10.	Profit before taxation	49.75	9.32
11.	Provision for taxation	0.72	1.33
12.	Profit after taxation	49.03	7.99
13.	Proposed Dividend	Nil	Nil
14.	Extent of shareholding (In percentage)	74.28%	52.47%

**Part “B”: Associates and Joint Ventures:** - Not Applicable

**Annexures to Board's Report (Contd).**
**Annexure – V**

Disclosure pursuant to the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Sr. No.	N a m e	Designation/ Nature of Duties	Remuneration For FY 2017-18 (₹ in Lacs)	Qualification	Ratio of Remuneration of each Director/KMP to median remuneration of employees	Comparison of remuneration of the KMP against the performance of the company
1	Shripal Shah	Whole Time Director & CFO	11.25	BMS, CFA	1.33	The revenue of the Company increased by 115.60% and the profit of the Company increased by 141.67%
2	Shreyas Shah	Whole Time Director	6.75	BMS, Gen. L.L.B.	0.79	
3	Deepesh Jain	Company Secretary	8.45	C.S.	1.00	

**Notes:**

- The median remuneration of employees of the Company during the financial year was ₹ 8.45 lacs
- Remuneration of Mr. Shripal Shah increased by 25% and Mr. Shreyas Shah increased by 12.5% and performance of the Company for the financial year ended 31<sup>st</sup> March, 2017 the revenue of the Company increased by 91.38% and the profit of the Company increased by 81.77%.
- There is 61.87% percentage increase in the median remuneration of employees compared to previous financial year;
- The key parameters for the variable component of remuneration availed by the directors are considered by the Board of Directors based on the recommendation of the Human Resources, Nomination and Remuneration Committee as per remuneration policy for Directors, Key Managerial Personnel and other employees.
- The ratio of the remuneration of the highest paid director to that of the employees who are not directors and KMPs but receive remuneration in excess of the highest paid director during the year- Not applicable
- It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other employees.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### MACRO REVIEW:

India's benchmark indices S&P BSE Sensex rose 11.3% in FY 2017-18. It also touched an all-time high of 36,000 in January 2018 and NIFTY rose 10.2% during FY 2017-18. This phrase best describes FY2018 - a year of green shoots for the Indian economy. The country witnessed a few of the major structural reforms in the year, such as the roll out of the Goods and Service Tax (GST), developments related to Insolvency & Bankruptcy Code (IBC) and National Company Law Tribunal (NCLT). India's Gross Domestic Product (GDP) grew by 6.7% during FY2018, and the economy grew at its fastest in seven quarters in the Q4FY2018, bolstered by strong performance in construction, manufacturing and public services showing a persistent revival trend. With this, India retained its ranking as the world's fastest growing economy, outpacing China by nearly a percentage point.

Despite the lingering impact of demonetization and GST, there was sustained macro-economic growth during FY2018 and it has led India to remain in a sweet spot in FY 2019.

Overall, the macro-fundamentals of the economy remain strong and the business cycle conditions have improved. Rebound in exports, improving corporate earnings, good monsoons and the government's continued push towards infrastructure, business friendly environment will have positive impact on business in FY 2019.

### INDUSTRY STRUCTURE AND DEVELOPMENTS:

Your Company is SEBI registered Category I Merchant Banker. Company mainly participates into SME Segment of Primary market issues. SME Platform offers an entrepreneur and investor friendly environment, which enables the listing of SMEs from the unorganized sector scattered throughout India, into a regulated and organized sector. The platform provides opportunity to SME entrepreneurs to raise equity capital for growth and expansion. It also provides immense opportunity for investors to identify and invest in good SMEs at an early stage.

2017-18 witnessed raising of ₹ 1,77,116 Crore through the public equity markets, 3.46 times that was raised in the preceding year. A total of 155 companies got listed on SME Platforms with initial public offers (IPOs) worth ₹ 2,247 crore in the last fiscal as compared to 80 IPO's which tapped the IPO route to garner ₹ 811 Crore in 2016-17. In 2014-15, 46 Companies made debut on the SME platform and raised ₹ 304 Crore. These Companies are listed on the small and medium enterprise platforms of BSE and NSE.

Source: <http://economictimes.indiatimes.com>  
<https://www.hindustantimes.com>

### REVIEW OF OPERATIONS

During F.Y. 2016-17, Company has earned a total income of ₹1072.46 Lacs compared to previous year's ₹502.50 Lacs. Company came out with 16 IPO's on SME Platform in F.Y. 2017-18 as compared to 10 IPO's in F.Y. 2016-17.

Net profit after tax has increased from ₹ 99.74 Lacs to ₹ 241.04 Lacs. Consequently, EPS increased to ₹ 2.01 from ₹ 0.87. Increased interest by SME's to list on SME bourses has lead to a top-line and bottom line growth.

Further there has been a moderate growth in financial performance of the subsidiary; Aryaman Capital Markets Limited witnessed a top line of ₹ 2,820.92 Lacs compared to previous year's ₹ 2284.73 Lacs. The rise in top line was on account of increased in market making participation in SME listed companies on BSE and NSE. Escorp Asset Management Limited, newly acquired subsidiary has entered into portfolio management services business and has garnered ₹ 29.10 Lacs.

## **OPPORTUNITIES AND THREATS:**

### ➤ **OPPORTUNITIES:**

India is already the fastest growing economy globally and various projections for growth by World Bank or IMF etc., indicate that India will continue to outperform other economies. This would open up vast opportunities for SME businesses which constitutes more than 45% of Industrial Output and which employs large part of total workforce of India. Easy capital generation means and relaxation in Government regulations & policies will facilitate the ease of doing business in India for SME's.

As the Company mainly focuses on SME Companies, robust performance by the SME sector and growth in SME Listed bourses will also open up new client segments which merchant bankers like ours can tap for future growth.

### ➤ **THREATS:**

Despite great opportunities, there are significant factors presenting threats to our businesses viz.

- a) Uncertainty in global markets and slow implementation of regulatory reforms by government can adversely impact the business.
- b) Continuous downward pressure on the fees, commissions and brokerages caused by heightened competition and willingness of most players to deliver services at very low fees;
- c) Any adverse changes in the regulatory and policy environment in which Aryaman and its subsidiaries operates could adversely affect the business and financial condition.

## **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

The company has an Internal Control System commensurate with its requirement and size of business to ensure that the assets and interest of the company assets are safeguarded. The adequacy and effectiveness of the internal control across various activities, as well as compliance with laid down system and policies are comprehensively and frequently monitored by your company's management at all the levels of the organization. The company has established well defined policies and processes across the organization covering all major activities including authority for approvals. In all cases where monetary decisions are involved, various limits and authorities are in place.

The Audit Committee of the Board of Directors review the existing audit procedures and internal systems of control on an ongoing basis keeping in mind the organization's requirements, growth prospects and ever evolving business environment. They also review the internal audit findings and recommendations and ensure that corrective measures are implemented.

## **RISKS AND CONCERN:**

Risk is an integral part of the business and we aim at delivering superior shareholder value by achieving an appropriate balance between risks and returns. The financial services industry is subject to continuously evolving legislative and regulatory environment due to increasing globalization, integration of world markets, newer and more complex products & transactions and an increasingly stringent regulatory framework.

Our senior management identifies and monitors the risks on an ongoing basis and evolves processes/systems to monitor and control the same to contain the risks to minimum levels. Ongoing monitoring by our officials help in identifying risks early. If required, a risk event update report is periodically placed before the Board of Directors of the Company

Regulatory framework, focused on maintaining controls on domestic businesses but even inadvertently creating more favorable regulatory environment for global entities operating in India is a matter of concern. We actively participate in dialogue in industry bodies and with regulators to point these out and to recommend appropriate changes.

**HUMAN RESOURCES:**

Aryaman Financial Services Ltd. is part of a dynamic and progressive group that actively fosters a challenging work environment and encourages Entrepreneurship. With trust being the critical part of our business belief, we lay a strong emphasis on integrity, teamwork, innovation, performance and partnership. Our professional staff with diverse backgrounds brings varied talent, knowledge and experience to the Group, helping our businesses to remain competitive, achieve greater success and newer milestones.

Our management team and board of directors are resolved to do what, we believe, is best for our shareholders, clients and associates.

**SAFE HARBOUR:**

This report describing our activities, projections and expectations for the future, may contain certain ‘forward looking statements’ within the meaning of applicable laws and regulations. The actual results of business may differ materially from those expressed or implied due to various risk factors and uncertainties. We are under no obligation to publicly amend, modify or revise any forward looking statements on the basis of any subsequent developments, information or events and assume no liability for any action taken by anyone on the basis of any information contained herein.

## **CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED ON 31<sup>st</sup> MARCH 2018**

### **I. Company Philosophy:**

Corporate Governance primarily involves transparency, full disclosure, independent monitoring of the state of affairs and being fair to all stakeholders. The Corporate Governance Code has also been incorporated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company endeavors not only to meet the statutory requirements in this regard but also to go well beyond them by instituting such systems and procedures as are in accordance with the latest global trends of making management completely transparent and institutionally sound.

Your Company believes in the concept of Good Corporate Governance involving transparency, empowerment, accountability and integrity with a view to enhance stakeholder's value. The Company has professionals on its Board of Directors who are actively involved in the deliberations of the Board on all important policy matters.

### **II. Board of Directors:**

As on 31<sup>st</sup> March, 2018, the strength of the Board was Five Directors. The Board comprised of Two Executive Director and Three Non-Executive Directors. The Chairman of the Board is an Executive Director.

Name of Director	Category	Number of Board Meetings		No. of Directorship(s) held in Other Indian Public Limited Companies	Committee(s) position*		Attendance at the last AGM held on September 25, 2017
		Held	Attended		Member	Chairman	
Mr. Shripal Shah	Executive Director	5	5	2	4	-	Present
Mr. Shreyas Shah	Executive Director	5	5	2	-	-	Not Present
Mr. Ram Gaud	Independent Director	5	5	1	2	1	Not Present
Mr. Darshit Parikh	Independent Director	5	5	3	2	2	Present
Mrs. Tejal Vala	Independent Director	5	5	-	-	-	Not Present

\* Only Audit Committee and Stakeholders' Relationship Committee, in other public limited companies, have been considered for the Committee position.

The Company held five meetings of its Board of Directors during the year on May 30, 2017, August 14, 2017, November 14, 2017, February 14, 2018 and March 23, 2018.

Mr. Shripal Shah and Mr. Shreyas Shah are related to each other.

### **III. Committees of the Board:**

#### **(a) Audit Committee**

The Audit Committee, as per Section 177 of Companies Act, 2013, continued working under Chairmanship of Mr. Darshit Parikh. During the year, the committee met five times with full attendance of all the members. The composition of the Audit Committee as at March 31, 2018 and details of the Members participation at the Meetings of the Committee are as under:



Name of Director	Category	Position in the committee	Attendance at the Audit Committee Meetings held on				
			30.05.2017	14.08.2017	14.11.2017	14.02.2018	23.03.2018
Mr. Darshit Parikh	Independent Director	Chairperson	Yes	Yes	Yes	Yes	Yes
Mr. Shripal Shah	Executive Director	Member	Yes	Yes	Yes	Yes	Yes
Mr. Ram Gaud	Independent Director	Member	Yes	Yes	Yes	Yes	Yes

The Committee is governed by a Charter, which is in line with the regulatory requirements mandated by the Companies Act, 2013. Some of the important functions performed by the Committee are:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible to be submitted to the Stock Exchanges, regulatory authorities or the public.
- Recommendation for appointment, remuneration and terms of appointment of statutory auditors of the Company;
- Review and monitor the auditor's independence and performance and effectiveness of audit process;
- Approval for all payments to the statutory auditors for any other services rendered by them;
- Reviewing with the Management, the Quarterly Unaudited Financial Statements and the Auditor's Limited Review Report thereon before submission to the Board for approval. This would, inter alia, include reviewing changes in the accounting policies and reasons for the same, major accounting estimates based on exercise of judgement by the Management, significant adjustments made in the Financial Statements and / or recommendation, if any, made by the Statutory Auditors in this regard.
- Reviewing, with the management, the audit annual financial statements and auditors' report thereon before submission to the Board for approval, with particular reference to:
  - a. Matters required to be included in the Directors' Responsibility Statement forming part of the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Act;
  - 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, if any, 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 all related party transactions
  - g. Qualifications, if any, in the draft audit report
- Approval or any subsequent modification of transactions of the Company with its related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, stating and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up thereon;
- 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;
- 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;
- 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 as is applicable;
- Review the Management Discussion & Analysis of financial and operational performance.
- Discuss with the Statutory Auditors its judgement about the quality and appropriateness of the Company's accounting principles with reference to the IND AS.

- Review the investments made by the Company.
- Reviewing the functioning of whistle blower mechanism of the Company.

All the Members on the Audit Committee have the requisite qualification for appointment on the Committee and possess sound knowledge of finance, accounting practices and internal controls.

The Auditors, Internal Auditors, Chief Financial Officer are invited to attend the meetings of the Committee. The Company Secretary acts as the Secretary to the Committee. Mr. Darshit Parikh, the Chairman of the Committee, was present at the last Annual General Meeting (AGM) held on September 25, 2017.

**(b) Nomination and Remuneration Committee:**

The Nomination and Remuneration Committee, as per Section 178 of Companies Act, 2013, continued working under Chairmanship of Mr. Darshit Parikh. During the year, the committee met two times with full attendance of all the members. The composition of the Nomination and Remuneration Committee as at March 31, 2018 and details of the Members participation at the Meetings of the Committee are as under:

Name of Director	Category	Position in the committee	Attendance at the Remuneration Committee held on	
			30.05.2017	27.02.2018
Mr. Darshit Parikh	Independent Director	Chairperson	Yes	Yes
Mrs. Ram Gaud	Independent Director	Member	Yes	Yes
Mrs. Tejal Vala	Independent Director	Member	Yes	Yes

The terms of reference of the Committee inter alia, include the following:

- Succession planning of the Board of Directors and Senior Management Employees;
- Identifying and selection of candidates for appointment as Directors / Independent Directors based on certain laid down criteria;
- Identifying potential individuals for appointment as Key Managerial Personnel and to other Senior Management positions;
- Formulate and review from time to time the policy for selection and appointment of Directors, Key Managerial Personnel and senior management employees and their remuneration;
- Review the performance of the Board of Directors and Senior Management Employees based on certain criteria as approved by the Board.

The Company has formulated a Remuneration Policy which is annexed to the Board's Report.

**Board Evaluation:**

The Board carried out formal annual evaluation of its own performance and that of its Committees viz., the Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee (NRC). The Board also carried out the performance evaluation of all the individual directors including the Chairman of the Company. Additionally, NRC also carried out the evaluation of the performance of all the individual directors and Chairman of the Company. The performance evaluation was carried out by way of obtaining feedback from the Directors through a structured questionnaire prepared in accordance with the policy adopted by the Board and after taking into consideration the Guidance Note on Board Evaluation issued by Securities and Exchange Board of India.

The structured questionnaire prepared to evaluate the performance of individual directors and the Chairman, inter alia, contained parameters such as professional conduct, roles and functions, discharge of duties and their contribution to Board/ Committees/Senior Management. The questionnaire prepared for evaluation of the Board and its Committees, inter alia, covered various aspects such as structure and composition, effectiveness of board process, information and roles, responsibilities and functioning of the Board and its Committees, establishment and determination of responsibilities of Committees, the quality of relationship between the board and the management and professional development.

The feedback received from the Directors through the above questionnaire was reviewed by the Chairman of the Board and the Chairman of the NRC and then discussed the same at the meetings of the Board and NRC respectively. The performance evaluation of the Chairman, Managing Director and the Board as a whole was carried out by the Independent Directors at their separate meeting, who also reviewed the performance of the Secretarial Department. The Directors expressed their satisfaction with the evaluation process.

The details of such familiarisation programmes for Independent Directors are put up on the Company's website and can be accessed at <http://afsl.co.in/investor-relation.html>.

### **Remuneration of Directors:**

#### **Non-Executive Directors:**

Non-Executive Director receive remuneration by way of sitting fees only. The details of sitting fees paid during FY 2017-18 are given in MGT-9. Criteria of making payments to non-executive directors is available on [www.afsl.co.in/investor-relation.html](http://www.afsl.co.in/investor-relation.html).

#### **Executive Directors:**

Details of remuneration paid to Executive Director during FY 2017-18 is provided in MGT-9.

Following is remuneration package details for Executive Directors:

#### **Mr. Shripal Shah:**

1. **Basic Salary:** Not exceeding ₹ 12,00,000/- (Rupees Twelve Lacs only) per annum as may be decided by the Remuneration Committee and the Board of Directors from time to time.
2. **Perquisites:** shall be entitled for the following perquisites in addition of the salary mentioned herein above.
  - i. **Housing:** The Company shall provide unfurnished accommodation to Mr. Shah. If no accommodation is provided, House Rent Allowance not exceeding 50% of monthly basic salary or as per Rules of the company, whichever is more, shall be payable to him and he shall also be eligible for reimbursement of expenses / allowances for utilization of gas, electricity, water & the same shall be valued as per Income Tax Rule, 1962.
  - ii. **Medical Allowances** including reimbursement, as per rules of the company, subject to a maximum of ₹ 15,000/- (Rupees Fifteen Thousand) per annum.
  - iii. **Free Telephone Facility** at residence and use of Mobile phone for the business of the company.

#### **3. Other Benefits**

Mr. Shripal Shah shall also be eligible to the following benefits in addition to the above perquisites, which shall not be included in the computation of the ceiling on remuneration as specified hereinabove:

- i. **Leave Encashment:** Encashment of leave at the end of tenure will be permitted in accordance with the rules of the Company.

#### **Mr. Shreyas Shah:**

- (a) **Salary:** a. Fixed Pay not exceeding ₹ 12,00,000/-  
b. Variable Pay up to ₹ 18,00,000/-
- (b) Remuneration to Mr. Shreyas Shah shall be subject to leave and other personal policies of the Company from time to time.

(c) **Re-imbursement of Expenses:** the Company shall pay or reimburse to Mr. Shreyas Shah, reasonable and necessary business expenses as incurred by him, which are directly related to the performance of his duties of employment including travel, professional membership and professional development subject to documents submitted by Mr. Shreyas Shah.

4. All payments of remunerations to be made by the Company subject to this resolution shall be gross of tax and shall be subject to deduction of tax payable in accordance with the applicable law as may be from time to time.

#### Shareholding of Directors:

As at March 31, 2018, following is the shareholding of directors;

Sr. No.	Name of Director	No of Shares	% of Total Shares of the Company
1.	Mr. Shripal Shah	90,000	0.77
2.	Mr. Shreyas Shah	90,000	0.77
3.	Mr. Ram Gaud	260	-

#### (c) Stakeholders' Relationship Committee:

The Stakeholders' Relationship Committee, as per Section 178 (5) of Companies Act, 2013, continued working under Chairmanship of Mr. Darshit Parikh. During the year, the committee met four times with full attendance of all the members. The composition of the Stakeholders' Relationship Committee as at March 31, 2018 and details of the Members participation at the Meetings of the Committee are as under:

Name of Director	Category	Position in the committee	Attendance at the Stakeholders' Relationship Committee held on			
			30.05.2017	15.09.2017	13.11.2017	27.02.2018
Mr. Darshit Parikh	Independent Director	Chairperson	Yes	Yes	Yes	Yes
Mr. Shripal Shah	Executive Director	Member	Yes	Yes	Yes	Yes
Mrs. Tejal Vala	Independent Director	Member	Yes	Yes	Yes	Yes

The terms of reference of the Committee are:

- transfer/transmission of shares/debentures and such other securities as may be issued by the Company from time to time;
- issue of duplicate share certificates for shares/debentures and other securities reported lost, defaced or destroyed, as per the laid down procedure;
- issue new certificates against subdivision of shares, renewal, split or consolidation of share certificates / certificates relating to other securities;
- issue and allot right shares / bonus shares pursuant to a Rights Issue / Bonus Issue made by the Company, subject to such approvals as may be required;
- to grant Employee Stock Options pursuant to approved Employees' Stock Option Scheme(s), if any, and to allot shares pursuant to options exercised;
- to issue and allot debentures, bonds and other securities, subject to such approvals as may be required;
- to approve and monitor dematerialization of shares / debentures / other securities and all matters incidental or related thereto;
- to authorize the Company Secretary and Head Compliance / other Officers of the Share Department to attend to matters relating to non-receipt of annual reports, notices, non-receipt of declared dividend / interest, change of address for correspondence etc. and to monitor action taken;
- monitoring expeditious redressal of investors / stakeholders grievances;
- all other matters incidental or related to shares, debenture

During the year, One Complaint was received from shareholder on SCORES and was resolved successfully. There are no balance complaints. The Company had no share transfers pending as on March 31, 2018.

Mr. Deepesh Jain, Company Secretary of the Company is Compliance Officer.

#### **IV. General Body Meetings:**

##### **Annual general meetings:**

The date, time and venue of the last three Annual General Meetings are given below:

AGM	Year ended as on	Venue	Date	Time	Whether any Special Resolution passed or not
21 <sup>st</sup>	31.03.2015	Indian Social Institute, 10, Institutional Area, Lodi Road, New Delhi, Delhi – 110 003	29.09.2015	12.30 P.M.	No
22 <sup>nd</sup>	31.03.2016		24.09.2016	12.00 P.M.	No
23 <sup>rd</sup>	31.03.2017		25.09.2017	09.00 A.M.	No

##### **Extraordinary General Meeting or Postal Ballot:**

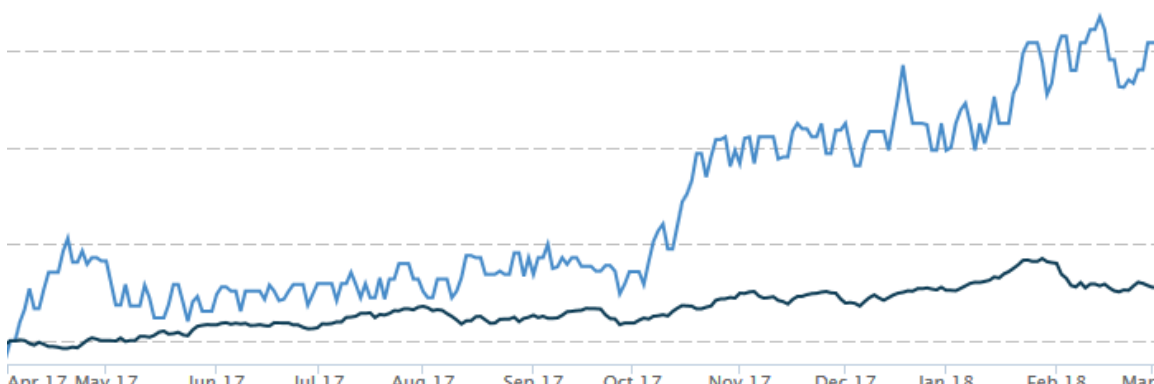
The Company did not hold any Postal Ballot during the F.Y. 2017-18.

#### **V. Means of Communication:**

The Quarterly / Annual financial results sent to the Stock Exchanges and published in The Financial Express (English) and Jansatta (Hindi) in accordance with the Listing Regulations. The Quarterly / Annual results are also uploaded on the website of the Company <http://afsl.co.in/investor-relation.html>. Communication to Shareholders via Newspaper is published in The Financial Express (English) and Jansatta (Hindi).

#### **VI. General shareholder information:**

AGM – Date, Time And Venue:	Tuesday, September 25, 2018, 11.00 A.M., and Vihara Innovation Campus, D-57, Chattarpur Enclave, 100 ft. Road, New Delhi - 110074
Financial Year:	1 <sup>st</sup> April to 31 <sup>st</sup> March of following year
Book Closure Date:	Wednesday, September 19, 2018 to Tuesday, September 25, 2018
ISIN:	INE032E01017
Listing of Equity Shares on stock exchanges:	BSE Limited, P. J. Towers, Fort, Mumbai – 400 001
Listing fees payment status:	The Company has paid the listing fees, to the Stock Exchanges for the financial year 2018-19
Stock code:	530245
Share Transfer System:	The Company's shares are compulsorily traded in Demat mode on the BSE Limited. The transfer of Physical shares, if any, are processed and returned to the shareholders within a period of 15 days by the Registrar & Share Transfer Agent.
Registrar & transfer agents:	<b>Adriot Corporate Services Private Limited</b> 19/20, Jafferboy Industrial Estate 1 <sup>st</sup> Floor, Makwana Road, Marol Naka, Andheri (E),

	Mumbai – 400 059 Tel. No. : 022 – 4227 0423 E-Mail id: <a href="mailto:sandeeph@adroitcorporate.com">sandeeph@adroitcorporate.com</a>				
Market Price Data (Monthly):	Month	High Price	Low Price	No. of Shares Traded	
	Apr-17	37.20	28.80	3,46,801	
	May-17	34.50	29.90	34,360	
	Jun - 17	33.50	30.70	27,535	
	Jul-17	35.05	31.00	1,35,026	
	Aug-17	35.70	30.75	49,142	
	Sep-17	36.00	32.00	9,507	
	Oct -17	45.00	31.35	23,367	
	Nov-17	45.50	40.65	47,820	
	Dec-17	49.35	41.50	17,827	
	Jan-18	52.75	41.00	40,143	
	Feb-18	53.45	47.00	7,91,360	
	Mar-18	48.80	43.00	21,262	
Performance in comparison to BSE Sensex:	<div><div>ARYAMAN FIN SER - BSE 43.00 (49.31%)</div><div>SENSEX - BSE 32,968.68 (10.23%)</div></div> <div></div>				
Distribution of Shareholding:	Shareholding of Nominal Value of ₹10/- each	No. of shareholders	% of shareholders	Share Amount	% of shareholding
	Up to 5,000	1320	86.61	15,79,200	1.35
	5,001 to 10,000	69	4.53	5,54,580	0.47
	10,001 to 20,000	33	2.17	4,97,670	0.43
	20,001 to 30,000	18	1.18	4,35,540	0.37
	30,001 to 40,000	10	0.66	3,62,900	0.31
	40,001 to 50,000	8	0.52	3,71,200	0.32
	50,001 to 1,00,000	7	0.46	5,25,980	0.45
	1,00,001 and above	59	3.87	11,24,92,930	96.30

	<b>Total</b>	<b>1524</b>	<b>100.00</b>	<b>11,68,20,000</b>	<b>100.00</b>
Dematerialization of Shares and Liquidity:	<b>Particulars</b>		<b>No. of Shares</b>		<b>Percentage</b>
	Physical Segment		3,84,733		3.29
	Demat Segment				
	NSDL		19,92,322		17.05
	CDSL		93,04,945		79.65
	<b>Total</b>		<b>1,16,82,000</b>		<b>100.00</b>
Shareholding Pattern as March 31, 2018:	<b>Particulars</b>		<b>No. of shares held</b>		<b>%</b>
	<b>Promoters</b>				
	Individual		1,80,000		1.54
	Body Corporate(s)		70,83,030		60.63
	<b>Non Promoters</b>				
	Individual / HUF		29,55,225		25.30
	Body Corporate(s)		14,60,428		12.50
	Bank / Financial Institutions		800		0.01
	NRIs/Foreign Nationals		2,034		0.02
	Clearing Member		483		-
<b>Total</b>		<b>1,16,82,000</b>		<b>100.00</b>	
Details of shares lying in the suspense account:	<b>Sr. No.</b>	<b>Particulars</b>		<b>No. of Shareholders</b>	<b>No. of Shares</b>
	1.	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year		Nil	Nil
	2.	Number of shareholders who approached the Company for transfer of shares from the suspense account during the year		Nil	Nil
	3.	Number of shareholders to whom shares were transferred from the suspense account during the year		Nil	Nil
	4.	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year		Nil	Nil
Address for correspondence :	<b>Aryaman Financial Services Limited</b> Mr. Deepesh Jain (Company Secretary) 60, Khatau Building, Ground. Floor, Alkesh Dinesh Modi Marg, Fort, Mumbai – 400 001 <b>Tel : 022 – 6216 6999</b> <b>Fax: 022 – 2263 0434</b>				

## VII. Disclosures:

- The Company did not have any material significant related party transactions having a potential conflict with the interest of the Company at large. Transactions with the related parties are disclosed in the audited financial statements.
- The financial statements have been prepared in accordance with the Indian Accounting Standards (IND-AS).
- There were no instances of non-compliance by the Company on any matter related to the capital markets, resulting in disciplinary action against the Company by the Stock Exchanges or Securities and Exchange Board of India (SEBI) or any other statutory authority, during the last three years.



- iv. The Company has a vigil mechanism for employees to report concerns about unethical behavior, actual or suspected fraud or violation of our code of conduct and confirms that no personnel have been denied access to the Audit Committee
- v. The Company has a formal system of internal control testing which examines both the design effectiveness and operational effectiveness to ensure reliability of financial and operational information and all statutory / regulatory compliances.
- vi. Policy for determining 'material' subsidiaries and Policy on dealing with related party transactions is available on <http://afsl.co.in/investor-relation.html>.
- vii. The Company has complied with mandatory requirements specified from Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI (LODR) Regulations, 2015.
- viii. The CFO have issued certificate pursuant to the provisions of Regulation 17(8) of the SEBI (LODR) Regulations, 2015 certifying that the financial statements do not contain any untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate is annexed and forms part of the Annual Report.
- ix. Pursuant to SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, a certificate from JNG & Co., Company Secretaries, certifying the compliance by the Company with the provisions of the Corporate Governance of the Listing Regulations forms part of this Report.

**Declaration as required under Regulation 26 of SEBI (LODR) Regulations, 2015**

In accordance with SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, I hereby confirm that for the financial year ended March 31, 2018, the Directors and Senior Management Personnel of the Company have affirmed compliance with the "AFSL - Code Of Conduct" for Directors and Senior Management Personnel.

**For Aryaman Financial Services Limited**

**Sd/-  
Shripal Shah  
(Executive Director)  
DIN: 01628855**

Mumbai, Tuesday, August 14, 2018

**CERTIFICATION BY CFO UNDER REGULATION 17 (8) OF THE LISTING REGULATION**

To  
The Board of Directors,  
Aryaman Financial Services Limited.

- (a) We have reviewed the financial statements and the cash flow statement of Aryaman Financial Services Ltd. for the year ended March 31, 2018 and 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 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 existing Accounting Standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, 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 accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take for rectifying these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee:
- (i) Significant changes in internal control over financial reporting during the year;
  - (ii) Significant changes in accounting policies made during the year and the same have been disclosed in the notes to the financial statements; and
  - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**For Aryaman Financial Services Limited**

Sd/-  
**Shripal Shah**  
(Chief Financial Officer)

**Place: - Mumbai**  
**Date: - May 30, 2018**

## **CERTIFICATE ON CORPORATE GOVERNANCE**

We have examined the compliance of conditions of Corporate Governance by Aryaman Financial Services Limited for the year ended 31<sup>st</sup> March, 2018 as stipulated in Regulation 17 of the Listing Regulation of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of 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 according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned SEBI (LODR) Regulations, 2015.

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.

**For JNG & Co.,**

**Place: Mumbai**  
**Date: August 14, 2018**

**Sd/-**  
**Jigarkumar Gandhi**  
**FCS: 7569**  
**C.P. No. 8108**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF ARYAMAN FINANCIAL SERVICES LIMITED**

#### **Report on the Standalone Ind AS Financial Statements:**

We have audited the accompanying standalone financial statements of **ARYAMAN FINANCIAL SERVICES LIMITED** ("the Company"), which comprise the Standalone Balance Sheet as at 31<sup>st</sup> March, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash flows, the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Standalone Ind AS Financial Statements").

#### **Management's Responsibility for the Standalone Ind AS 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 Standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act and relevant rules thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS 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 Standalone Ind AS 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 thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Ind AS 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 Standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances.

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

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

### Opinion:

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS 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, 2018 and its profit (including other comprehensive income), its cash flows and changes in equity for the year ended on that date.

### Report on Other Legal and Regulatory Requirements:

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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 Standalone Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Ind AS 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, 2018 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018, 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) With respect to other matter to be included in the Auditor's Report in accordance with the Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
  - i. The Company does not have any pending litigations which would impact its financial position.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**FOR V.N. PUROHIT & CO.**  
**Chartered Accountants**  
**Firm Registration No: 304040E**

Sd/-  
**O.P. Pareek**  
**Partner**  
**Membership No. 014238**

**Mumbai**  
**May 30, 2018**

## ANNEXURE A

### **ANNEXURE REFERRED TO IN PARAGRAPH “REPORT ON OTHER LEGAL AND REGUALTORY REQUIREMENTS” OF OUR REPORT TO THE MEMBERS OF “THE COMPANY”FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2018**

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we state that:

1.
  - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b) As explained to us, all the fixed assets have been physically verified by the Management at the year end. In our opinion, the frequency of verification is reasonable, considering the size of the Company and nature of its fixed assets. There were no material discrepancies were noticed on such verification.
  - c) Based on the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
2. The physical verification of inventory has been conducted at reasonable intervals by the Management during the year. There were no discrepancies noticed with the books of accounts.
3. The Company has not granted any loans, secured or unsecured, to companies, firms, and limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clause 3(iii) of the Order are not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.
5. No deposits within the meaning of directives issued by RBI (Reserve Bank of India) and Sections 73 to 76 or any other relevant provisions of the Act and rules framed there under have been accepted by the Company.
6. According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of Section 148 of the Act in respect of Company's products/services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable to the Company.
7.
  - a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company is generally regular in depositing undisputed statutory dues including income- tax, goods & service tax, sales-tax, service tax, duty of customs, duty of excise, value added tax and other statutory dues applicable to the Company with appropriate authorities. No undisputed amounts in respect of the aforesaid statutory dues were outstanding as at the last day of the financial year for a period of more than six months from the date they became payable.
  - b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no dues of income tax, goods & service tax, sales tax, service tax, duty of customs, duty of excise and value added tax which have not been deposited on account of any dispute.
8. The Company has not defaulted in repayment of loans or borrowings to banks during the year. The Company has not taken any loans or borrowings from financial institution, government and debenture holders during the year.

9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) or term loan during the year. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company.
10. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud by or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of such case by the management.
11. According to the information and explanations given to us and based on examination of records of the Company, managerial remuneration has been paid or provided for during the year is in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Act.
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company.
13. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, all transactions with the related party are in compliance with Section 177 and 188 of the Act and the details have been disclosed as required by the applicable Ind AS in Note 28 to the Standalone Ind AS Financial Statements.
14. The Company has not made preferential allotment or private placement of shares during the year and has complied with the provisions of Section 42 of the Act.
15. Based on the information and explanations given to us, the Company has not entered into any non-cash transactions prescribed under Section 192 of the Act with directors or persons connected with them during the year. Therefore, the provisions of clause 3(xv) of the Order are not applicable to the Company.
16. In our opinion, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Therefore, the provisions of clause 3(xvi) of the Order are not applicable to the Company.

**FOR V.N. PUROHIT & CO.**  
**Chartered Accountants**  
**Firm Registration No: 304040E**

Sd/-  
**O.P. Pareek**  
**Partner**

**Membership No. 014238**

**Mumbai**  
**May 30, 2018**



## **ANNEXURE B**

### **Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Act**

We have audited the internal financial controls over financial reporting of **ARYAMAN FINANCIAL SERVICES LIMITED** (“the Company”) as of March 31, 2018 in conjunction with our audit of the Standalone Ind AS Financial Statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control 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 (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **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 Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls 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 Standalone Ind AS 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 an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, 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.

**FOR V.N. PUROHIT & CO.**  
**Chartered Accountants**  
**Firm Registration No: 304040E**

Sd/-  
**O.P. Pareek**  
**Partner**

**Membership No. 014238**

**Mumbai**  
**May 30, 2018**

# STANDALONE BALANCE SHEET

As at March 31, 2018

Particulars	Note	As at March 31, 2018 INR Lacs	As at March 31, 2017 INR Lacs
<b>ASSETS</b>			
<b>Non-current assets</b>			
a. Property, plant and equipment	2	125.30	133.53
b. Intangible assets	3	-	-
c. Investment in subsidiaries	4	1,347.04	1,347.04
d. Financial Assets			
(i) Investments	5	28.80	-
(ii) Other Financial Assets	6	250.59	250.09
<b>Total Non-Current Assets</b>		<b>1,751.73</b>	<b>1,730.66</b>
<b>Current assets</b>			
a. Financial Assets			
(i) Trade receivables	7	5.71	16.66
(ii) Cash and cash equivalents	8	2.76	1.12
(iii) Bank balances other than (ii) above	9	654.25	92.40
(iv) Other financial assets	10	2.27	0.82
b. Current tax assets (net)		27.38	22.87
c. Other current assets	11	55.02	8.14
<b>Total Current Assets</b>		<b>747.39</b>	<b>142.01</b>
<b>TOTAL ASSETS</b>		<b>2,499.12</b>	<b>1,872.67</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
a. Equity share capital	12	1,168.20	1,168.20
b. Other equity	13	845.39	604.35
<b>Total Equity</b>		<b>2,013.59</b>	<b>1,772.55</b>
<b>Liabilities</b>			
<b>Non-Current liabilities</b>			
a. Financial liabilities			
(i) Borrowings	14	21.37	28.56
b. Deferred tax liabilities	15	7.59	5.84
<b>Total Non- Current Liabilities</b>		<b>28.96</b>	<b>34.40</b>
<b>Current Liabilities</b>			
a) Financial Liabilities			
(i) Trade payables	16	331.07	11.49
(ii) Other financial liabilities	17	44.00	16.23
b) Other current liabilities	18	81.50	38.00
<b>Total Current Liabilities</b>		<b>456.57</b>	<b>65.72</b>
<b>TOTAL LIABILITIES</b>		<b>485.53</b>	<b>100.12</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,499.12</b>	<b>1,872.67</b>

The accompanying notes (Note No. 1 to 36) are integral part of the financial statements

In terms of our attached report of even date

**For V.N. PUROHIT & CO.**  
Chartered Accountants  
Firm Registration No. 304040E

**For and on behalf of the Board of Director**

Sd/-  
**CA O.P. Pareek**  
Partner  
Membership No: 014238  
Place : Mumbai  
Date: May 30, 2018

Sd/-  
**Shripal Shah**  
(Executive Director)  
DIN: 01628855  
Place : Mumbai  
Date: May 30, 2018

Sd/-  
**Shreyas Shah**  
(Executive Director)  
DIN: 01835575

Sd/-  
**Deepesh Jain**  
(Company Secretary)

# STANDALONE STATEMENT OF PROFIT AND LOSS

For the year ended March 31, 2018

Particulars	Note	For the year ended March 31, 2018 INR Lacs	For the year ended March 31, 2017 INR Lacs
I. Revenue From Operations	19	1,072.46	502.50
II. Other Income	20	18.42	3.48
III. Total Income (I+II)		<b>1,090.88</b>	<b>505.98</b>
IV. EXPENSES			
Employee benefits expense	21	154.28	105.70
Finance costs	22	3.14	13.12
Depreciation and amortization expense	23	11.51	10.77
Impairment loss	24	-	6.64
Other expenses	25	598.05	229.83
Total expenses (IV)		<b>766.98</b>	<b>366.07</b>
V. Profit before tax (III-IV)		<b>323.90</b>	<b>139.91</b>
VI. Tax expense:			
(1) Current tax		87.62	48.06
(2) Short/(Excess) provision for tax- Previous years		(6.51)	(6.07)
(3) Deferred tax		1.75	(1.82)
Total tax expenses (VI)		<b>82.86</b>	<b>40.17</b>
VII. Profit for the year (V-VI)		<b>241.04</b>	<b>99.74</b>
VIII. Other Comprehensive Income		-	-
IX. Total other comprehensive income		-	-
X. Total comprehensive income for the year (VII+IX)		<b>241.04</b>	<b>99.74</b>
XI. Earnings per equity share:			
Basic & Diluted (Face value ₹ 10 per equity share)	28	2.01	0.87

The accompanying notes (Note No. 1 to 36) are integral part of the financial statements

In terms of our attached report of even date

For V.N. PUROHIT & CO.

Chartered Accountants

Firm Registration No. 304040E

For and on behalf of the Board of Director

Sd/-

**CA O.P. Pareek**

Partner

Membership No: 014238

Place : Mumbai

Date: May 30, 2018

Sd/-

**Shripal Shah**

(Executive Director)

DIN: 01628855

Place : Mumbai

Date: May 30, 2018

Sd/-

**Shreyas Shah**

(Executive Director)

DIN: 01835575

Sd/-

**Deepesh Jain**

(Company Secretary)

# STANDALONE STATEMENT OF CHANGES IN EQUITY

For the year ended March 31, 2018

## A. Equity Share Capital:

Particulars	Amount INR Lacs
Balance as at 31st March, 2016	1,097.50
Changes in equity share capital during the year 2016-17	70.70
Balance as at 31st March, 2017	1,168.20
Changes in equity share capital during the year 2017-18	-
Balance as at 31st March, 2018	1,168.20

## B. Other Equity:

Particulars	Reserves and Surplus				Other Equity
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	
	INR Lacs	INR Lacs	INR Lacs	INR Lacs	INR Lacs
As at March 31, 2016	6.52	229.31	260.75	(80.34)	416.24
Premium received on share allotment	-	88.37	-	-	88.37
Profit for the year 2017-18	-	-	-	99.74	99.74
Other comprehensive income	-	-	-	-	-
As at March 31, 2017	6.52	317.68	260.75	19.40	604.35
Profit for the year 2017-18	-	-	-	241.04	241.04
Other comprehensive income	-	-	-	-	-
As at March 31, 2018	6.52	317.68	260.75	260.44	845.39

The accompanying notes (Note No. 1 to 36) are integral part of the financial statements

In terms of our attached report of even date

**For V.N. PUROHIT & CO.**

Chartered Accountants

Firm Registration No. 304040E

**For and on behalf of the Board of Director**

Sd/-

**CA O.P. Pareek**

Partner

Membership No: 014238

Place : Mumbai

Date: May 30, 2018

Sd/-

**Shripal Shah**

(Executive Director)

DIN: 01628855

Place : Mumbai

Date: May 30, 2018

Sd/-

**Shreyas Shah**

(Executive Director)

DIN: 01835575

Sd/-

**Deepesh Jain**

(Company Secretary)

# STANDALONE STATEMENT OF CASH FLOW

For the year ended March 31, 2018

Particulars	For the year ended March 31, 2018 INR Lacs	For the year ended March 31, 2017 INR Lacs
<b>A. Cash flow from operating activities</b>		
Profit for the year	323.89	139.91
<b>Adjustments for:</b>		
Finance costs	3.14	13.12
Depreciation and amortisation expense	11.51	10.77
Interest income	18.42	(3.47)
Impairment loss	-	6.64
<b>Operating profit before working capital changes</b>	<b>356.96</b>	<b>166.97</b>
<b>Movements in working capital:</b>		
(Increase)/decrease in trade receivables	10.95	(13.55)
(Increase)/decrease in other assets	(48.82)	(5.16)
Increase /(decrease) in trade payables	319.57	3.34
Increase /(decrease) in other liabilities	71.27	37.83
<b>Cash generated from operations</b>	<b>709.93</b>	<b>189.43</b>
Direct taxes paid (net)	(85.62)	(51.53)
<b>Net cash from operating activities (A)</b>	<b>624.31</b>	<b>137.90</b>
<b>B. Cash flows from investing activities</b>		
Payment for property, plant and equipment (PPE)	(3.26)	(3.71)
Investment in subsidiary	(28.80)	(410.00)
Investment in Fixed deposits	(561.86)	108.76
Interest Income	(18.42)	3.47
Advances given	-	16.28
<b>Net cash (used in) investing activities (B)</b>	<b>(612.34)</b>	<b>(285.20)</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from Issue of Shares	-	70.70
Proceeds from Share Premium	-	88.38
Repayment of borrowings	(7.19)	(6.95)
Interest paid	(3.14)	(13.12)
<b>Net cash (used in) financing activities (C)</b>	<b>(10.33)</b>	<b>139.01</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS [A+B+C]</b>	<b>1.64</b>	<b>(8.29)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b>1.12</b>	<b>9.41</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>2.76</b>	<b>1.12</b>

## Note: 1

Changes in Liability arising from financing activity	For the year ended March 31, 2018 INR Lacs
<b>Borrowings (Non-Current + Current) - As at April 01,2017</b>	<b>28.56</b>
<b>Cash Flows</b>	<b>7.19</b>
<b>Borrowings (Non-Current + Current) - As at March 31,2018</b>	<b>21.37</b>

In terms of our attached report of even date

**For V.N. PUROHIT & CO.**  
Chartered Accountants  
Firm Registration No. 304040E

**For and on behalf of the Board of Director**

Sd/-  
**CA O.P. Pareek**  
Partner  
Membership No: 014238  
Place : Mumbai  
Date: May 30, 2018

Sd/-  
**Shripal Shah**  
(Executive Director)  
DIN: 01628855  
Place : Mumbai  
Date: May 30, 2018

Sd/-  
**Shreyas Shah**  
(Executive Director)  
DIN: 01835575

Sd/-  
**Deepesh Jain**  
(Company Secretary)

## **NOTES**

### **TO FINANCIAL STATEMENTS**

#### **Note – 1**

##### **A. CORPORATE INFORMATION:**

Aryaman Financial Services Limited is a public limited company domiciled in India with its registered office located at 102, Ganga Chambers, 6A/1, W.E.A., Karol Bagh, New Delhi-110005. The Company is listed on BSE Limited (BSE). The Company is engaged in the business of Merchant Banking.

##### **B. SIGNIFICANT ACCOUNTING POLICIES:**

###### **1. Basis of Preparation of Financial Statements:**

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting standards) Rules as amended from time to time and other related provisions of the Act.

The financial statements of the Company are prepared on the accrual basis of accounting and Historical cost convention except for the following material items that have been measured at fair value as required by the relevant Ind AS:

- i. Certain financial assets and liabilities are measured at Fair value (Refer note no. 7 below)

The accounting policies are applied consistently to all the periods presented in the financial statements. All assets and liabilities have been classified as current or noncurrent as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

The financial statements are presented in INR, the functional currency of the Company. Rounding of amounts all amounts disclosed in the financial statements and notes have been rounded off to the nearest Lacs as per the requirement of Schedule III, unless otherwise stated.

###### **2. Use of Estimates and judgments:**

The preparation of the financial statements requires the Management to make, judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. The recognition, measurement, classification or disclosure of an item or information in the financial statements is made relying on these estimates. The estimates and judgments used in the preparation of the financial statements are continuously evaluated by the management and are based on historical experience and various other assumptions and factors (including expectations of future events) that the management believes to be reasonable under the existing circumstances. Actual results may differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

###### **Critical accounting judgments and key source of estimation uncertainty:**

The Company is required to make judgments, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. The estimates and underlying assumptions are reviewed on an on-going basis.

- a) Estimation of current tax expenses and payable - Refer note no. – 14

###### **3. Property, plant and equipment (PPE):**

Property, plant and equipment is stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any.

The cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable costs of bringing the asset to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the item and restoring the site on which it is located.



## **NOTES**

### **To Financial Statements (Contd.)**

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

#### **4. Intangible assets:**

Intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

#### **5. Depreciation and Amortization:**

##### **a) Property plant and equipment (PPE):**

Depreciation is provided on a pro-rata basis on the straight line method based on estimated useful life prescribed under Schedule II to the Companies Act, 2013.

The residual values, useful lives and method of depreciation of property, plant and equipment is reviewed at each financial year end and adjusted prospectively, if appropriate.

##### **Estimated useful life is as below:**

Computer - 3 Years

Furniture and fixtures - 10 years

Office equipments - 5 years

Motor Vehicles - 8 years

##### **b) Intangible assets:**

The useful lives of intangible assets are assessed as either finite or indefinite. Finite-life intangible assets are amortised on a straight-line basis over the period of their expected useful lives.

The amortization period and the amortization method for finite life intangible assets is reviewed at each financial year end and adjusted prospectively, if appropriate. For indefinite life intangible assets, the assessment of indefinite life is reviewed annually to determine whether it continues, if not, it is impaired or changed prospectively basis revised estimates.

#### **6. Investments in subsidiaries:**

Investments in subsidiaries are carried at cost less accumulated impairment, if any.

#### **7. Financial Instruments:**

##### **Financial assets:**

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instruments.

##### **Equity Instruments:**

Considering the entity's business model for managing equity instruments; the investments in equity shares have been recognised at fair value as on date of balance sheet. Fair value movements are recognised in the other comprehensive income (OCI).

Dividends on these investments in equity instruments are recognised in Statement of Profit and Loss when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognised in Statement of Profit and Loss are included in the 'Other income' line item.

##### **Derecognition:**

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers rights to receive cash flows from an asset, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement.

In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

## **NOTES**

### **To Financial Statements (Contd.)**

#### **Financial Liabilities:**

##### **Initial Recognition and measurement:**

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial liabilities are initially recognised at fair value net of transaction costs for all financial liabilities not carried at fair value through profit or loss.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

##### **Subsequent measurement:**

Financial liabilities measured at amortised cost are subsequently measured at using EIR method. Financial liabilities carried at fair value through profit or losses are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

##### **Loans & Borrowings:**

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using EIR method. Gains and losses are recognized in profit & loss when the liabilities are derecognized as well as through EIR amortization process.

##### **Financial Guarantee Contracts:**

Financial guarantee contracts issued by the Company are those contracts that requires a payment to be made or to reimburse the holder for a loss it incurs because the specified debtors fails to make payment when due in accordance with the term of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee.

##### **De-recognition:**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

##### **Derivative financial instruments**

The Company uses derivative financial instruments, such as forward foreign exchange contracts, to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value, with changes in fair value recognised in Statement of Profit and Loss.

##### **Offsetting of financial instruments:**

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

#### **8. Fair Value Measurement:**

The Company measures financial instruments, such as, derivatives, investments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- a) In the principal market for the asset or liability, or
- b) In the absence of a principal market, in the most advantageous market for the asset or liability

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- (i) **Level 1** - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- (ii) **Level 2** - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- (iii) **Level 3** - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

## **NOTES**

### **To Financial Statements (Contd.)**

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

#### **9. Inventory:**

Inventories are valued at the lower of cost and net realisable value. Cost is computed on a weighted average basis.

#### **10. Cash and Cash Equivalents:**

Cash and Cash equivalents include cash and Cheque in hand, bank balances, demand deposits with banks and other short-term highly liquid investments that are readily convertible to known amounts of cash & which are subject to an insignificant risk of changes in value where original maturity is three months or less.

#### **11. Foreign Currency Transactions:**

##### **a) Initial Recognition:**

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of Profit and Loss of the year.

##### **b) Measurement of Foreign Currency Items at the Balance Sheet Date:**

Foreign currency monetary items of the Company are restated at the closing exchange rates. Non monetary items are recorded at the exchange rate prevailing on the date of the transaction. Exchange differences arising out of these transactions are charged to the Statement of Profit and Loss.

#### **12. Revenue Recognition:**

##### **Rendering of Services:**

Income from services rendered is recognised based on invoices raised for service provided on an accrual basis.

Revenue is measured at fair value of the consideration received or receivable, after deduction of any discounts, any taxes or duties collected on behalf of the government which are levied on sales such as Goods & Service taxes (GST) and service tax.

##### **Dividend:**

Dividend Income is recognized when right to receive the same is established.

#### **13. Employee Benefits:**

Employee Benefits: - The Company does not falls within the applicability of Employee benefit plans.

#### **14. Taxes on Income:**

Income tax comprises current and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to items directly recognized in equity or in other comprehensive income.

Current tax is based on taxable profit for the year. Taxable profit is different from accounting profit due to temporary differences between accounting and tax treatments, and due to items that are never taxable or tax deductible. Tax provisions are included in current liabilities. Interest and penalties on tax liabilities are provided for in the tax charge. The Company offsets, the current tax assets and liabilities (on a year on year basis) where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis or to realise the assets and liabilities on net basis.

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements. Deferred income tax asset are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. Deferred tax assets are not recognised where it is more likely than not that the assets will not be realised in the future.

## **NOTES**

### **To Financial Statements (Contd.)**

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Minimum Alternative Tax ('MAT') credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income-tax during the specified period. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income-tax during the specified period.

#### **15. Borrowing Cost:**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalized as a part of Cost of that assets, during the period till all the activities necessary to prepare the Qualifying assets for its intended use or sale are complete during the period of time that is required to complete and prepare the assets for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowing costs are recognized as an expense in the period in which they are incurred.

#### **16. Earnings Per Share:**

Basic earnings per shares are calculated by dividing the net profit or loss after tax for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to the equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

#### **17. Leases:**

##### **Where the Company is Lessee:**

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on accrual basis as per the terms of agreements entered with the counter parties.

##### **Where the Company is Lessor:**

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in property, plant and equipment. The Company recognizes lease rentals from the property leased out, on accrual basis as per the terms of agreements entered with the counter parties. Costs, including depreciation, are recognized as an expense in the Statement of Profit and Loss.

#### **18. Provisions, Contingent Liabilities and Contingent Assets:**

A provision is recognised if, as a result of a past event, the group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract.

A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources or an obligation for which the future outcome cannot be ascertained with reasonable certainty. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are neither recognized nor disclosed in financial statements.

## NOTES

### To Financial Statements (Contd.)

#### 2. Property, Plant and Equipment:

##### Gross Block:

Particulars	Freehold land	Furniture & Fixtures	Office Equipments	Computer	Motor Vehicle	Total
	INR Lacs	INR Lacs	INR Lacs	INR Lacs	INR Lacs	INR Lacs
Balance as at March 31, 2016	83.43	0.14	0.37	7.90	62.80	154.64
Additions	-	0.38	-	3.32	-	3.70
Disposals	-	-	-	-	-	-
Balance as at March 31, 2017	83.43	0.52	0.37	11.22	62.80	158.34
Additions	-	-	0.40	2.93	-	3.33
Disposals	-	0.06	-	-	-	0.06
Balance as at March 31, 2018	83.43	0.46	0.77	14.15	62.80	161.61

##### Accumulated depreciation:

Particulars	Freehold land	Furniture & Fixtures	Office Equipments	Computer	Motor Vehicle	Total
	INR Lacs	INR Lacs	INR Lacs	INR Lacs	INR Lacs	INR Lacs
Balance as at March 31, 2016	-	0.09	0.20	5.16	8.57	14.02
Additions	-	0.03	0.07	3.22	7.46	10.78
Disposals	-	-	-	-	-	-
Balance as at March 31, 2017	-	0.12	0.27	8.38	16.03	24.80
Additions	-	0.05	0.08	3.93	7.46	11.51
Disposals	-	-	-	-	-	-
Balance as at March 31, 2018	-	0.17	0.35	12.31	23.49	36.31
Net carrying value as at March 31, 2017	83.43	0.40	0.10	2.84	46.77	133.53
Net carrying value as at March 31, 2018	83.43	0.30	0.42	1.84	39.31	125.30

#### 3. Intangible assets:

##### Gross Block:

Particulars	Cochin Stock Exchange Membership	Total
	INR Lacs	INR Lacs
Balance as at April 01, 2016	16.61	16.61
Additions	-	-
Disposals	-	-
Balance as at March 31, 2017	16.61	16.61
Additions	-	-
Disposals	-	-
Balance as at March 31, 2018	16.61	16.61

## NOTES

### To Financial Statements (Contd.)

#### Accumulated Amortisation:

Particulars	Cochin Stock Exchange Membership INR Lacs	Total INR Lacs
Balance as at April 01, 2016	8.30	8.30
Additions	1.66	1.66
Disposals	-	-
Impairment of asset	6.64	6.64
Balance as at March 31, 2017	16.61	16.61
Additions	-	-
Disposals	-	-
Balance as at March 31, 2018	16.61	16.61
Net carrying value as at March 31, 2017	-	-
Net carrying value as at March 31, 2018	-	-

#### 4. Investment in Subsidiaries:

Particulars	As at March 31, 2018 INR Lacs	As at March 31, 2018 INR Lacs
<b>Investments measured at cost (fully paid)</b>		
<b>i. Subsidiaries:</b>		
<b>Quoted :</b> (refer footnote no. (i))		
88,97,120 (31 <sup>st</sup> March, 2017: 88,97,120) Equity shares of ₹ 10 each of Aryaman Capital Markets Ltd.	937.04	937.04
35,00,000 (31 <sup>st</sup> March, 2017: 35,00,000) Equity shares of ₹ 10 each of Escorp Asset Management Ltd	410.00	410.00
<b>Total</b>	<b>1,347.04</b>	<b>1,347.04</b>

#### Footnotes:

- (i) The market value of Investment in Aryaman Capital Markets Ltd is ₹ 2,246.52 Lacs as on 31.03.2018 and ₹ 1,779.42 Lacs as on 31.03.2017
- (ii) The Market value of Investments in Escorp Asset Management Ltd is ₹ 526.75/- as on 31/03/2018 (These shares were not listed as on 31.03.2017)

#### 5. Investments:

Particulars	As at March 31, 2018 INR Lacs	As at March 31, 2017 INR Lacs
<b>Quoted, Fully paid up:</b>		
<b>Fair valued through Other Comprehensive income</b>		
28,800 (31 <sup>st</sup> March, 2017: NIL) Equity shares of ₹ 10 each of Yasho Industries Ltd	28.80	-
<b>Total</b>	<b>28.80</b>	<b>-</b>

#### 6. Other financial assets:

Particulars	As at March 31, 2018 INR Lacs	As at March 31, 2017 INR Lacs
<b>Unsecured, considered good</b>		

## NOTES

### To Financial Statements (Contd.)

Security deposits for Properties	250.50	250.00
Other Advances & Deposits	0.09	0.09
<b>Total</b>	<b>250.59</b>	<b>250.09</b>

#### 7. Trade Receivables:

Particulars	As at March 31, 2018 INR Lacs	As at March 31, 2017 INR Lacs
Unsecured, considered good	5.71	16.66
<b>Total</b>	<b>5.71</b>	<b>16.66</b>

#### 8. Cash & cash equivalents:

Particulars	As at March 31, 2018 INR Lacs	As at March 31, 2017 INR Lacs
Balances with banks		
i. in current accounts	1.63	0.50
Cash on hand	1.13	0.62
<b>Total</b>	<b>2.76</b>	<b>1.12</b>

#### 9. Bank balances other than Cash & cash equivalents:

Particulars	As at March 31, 2018 INR Lacs	As at March 31, 2017 INR Lacs
Balances with banks - Fixed deposits	654.25	92.40
<b>Total</b>	<b>654.25</b>	<b>92.40</b>

#### 10. Other Financial assets:

Particulars	As at March 31, 2018 INR Lacs	As at March 31, 2017 INR Lacs
Interest accrued but not due on fixed deposits	2.27	0.82
<b>Total</b>	<b>2.27</b>	<b>0.82</b>

#### 11. Other Current assets:

Particulars	As at March 31, 2018 INR Lacs	As at March 31, 2017 INR Lacs
Advance to suppliers	0.44	-
Prepaid expenses	7.83	8.14
GST excess paid (Refundable)	12.42	-
GST input tax	34.33	-
<b>Total</b>	<b>55.02</b>	<b>8.14</b>



## NOTES

### To Financial Statements (Contd.)

#### 12. Equity share capital:

Particulars	As at March 31, 2018 INR Lacs	As at March 31, 2017 INR Lacs
<b>Authorised:</b>		
1,17,00,000 (31.03.2017: 1,17,00,000) Equity Shares of ₹ 10 each	1,170.00	1,170.00
<b>Issued, Subscribed and Paid up :</b>		
1,16,82,000 (31.03.2017: 1,16,82,000) Equity Shares of ₹ 10 each	1,168.20	1,168.20
<b>Total</b>	<b>1,168.20</b>	<b>1,168.20</b>

#### Notes:

##### 12.1 Reconciliation of number of shares outstanding at the beginning and end of the year:

Authorised share capital:	No. of shares In Lacs	Amount INR Lacs
<b>Balance as at March 31, 2016</b>	110.00	1,100.00
Add / (Less): Changes during the year	7.00	70.00
<b>Balance as at March 31, 2017</b>	117.00	1,170.00
Add / (Less): Changes during the year	-	-
<b>Balance as at March 31, 2018</b>	<b>117.00</b>	<b>1,170.00</b>

Issued, Subscribed and Paid up share capital:	No. of shares In Lacs	Amount INR Lacs
<b>Balance as at March 31, 2016</b>	109.75	1,097.50
Add / (Less): Changes during the year	7.07	70.70
<b>Balance as at March 31, 2017</b>	<b>116.82</b>	<b>1,168.20</b>
Add / (Less): Changes during the year	-	-
<b>Balance as at March 31, 2018</b>	<b>116.82</b>	<b>1,168.20</b>

##### 12.2 Terms / rights attached to Equity Shares:

The Company has only one class of equity shares having a par value of ₹ 10/-. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends if any, in Indian rupees. The dividend proposed, if any, by the Board of Directors is subject to the approval of the Shareholders at the ensuing Annual General Meeting, except in case of interim dividend.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the Shareholders.

##### 12.3 Details of shares held by each shareholder holding more than 5% shares in the Company:

Equity share of ₹ 10 each fully paid up with voting rights	Number of fully paid equity shares	Holding (%)
<b>Mahshri Enterprises Private Limited</b>		
As at March 31, 2017	70,83,030	60.63%
As at March 31, 2018	70,83,030	60.63%

## NOTES

### To Financial Statements (Contd.)

#### 13. Other Equity:

Particulars	As at March 31, 2018 INR Lacs	As at March 31, 2017 INR Lacs
Capital reserve	6.52	6.52
General reserve	260.75	260.75
Securities premium	317.68	317.68
Retained earnings	260.44	19.40
<b>Total</b>	<b>845.39</b>	<b>604.35</b>

#### 13.1 Capital reserve:

Particulars	As at March 31, 2018 INR Lacs	As at March 31, 2017 INR Lacs
Balance as at beginning of the year	6.52	6.52
Add/(Less): Movement during the year	-	-
<b>Balance as at end of the year</b>	<b>6.52</b>	<b>6.52</b>

#### 13.2 General reserve:

Particulars	As at March 31, 2018 INR Lacs	As at March 31, 2017 INR Lacs
Balance as at beginning of the year	260.75	260.75
Add/(Less): Movement during the year	-	-
<b>Balance as at end of the year</b>	<b>260.75</b>	<b>260.75</b>

The general reserve is used from time to time to transfer profits from retained earnings for appropriations purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

#### 13.3 Securities Premium:

Particulars	As at March 31, 2018 INR Lacs	As at March 31, 2017 INR Lacs
Balance as at beginning of the year	317.68	229.31
Add/(Less): Movement during the year	-	88.37
<b>Balance as at end of the year</b>	<b>317.68</b>	<b>317.68</b>

#### 13.4 Retained earnings:

Particulars	As at March 31, 2018 INR Lacs	As at March 31, 2017 INR Lacs
Balance as at beginning of the year	19.40	(80.34)
Profit for the year	241.04	99.74
<b>Balance as at end of the year</b>	<b>260.44</b>	<b>19.40</b>

## NOTES

### To Financial Statements (Contd.)

#### 14. Borrowings:

Particulars	As at March 31, 2018 INR Lacs	As at March 31, 2017 INR Lacs
<b>Secured</b>		
From Financial Institutions (Refer note (i) below)	21.37	28.56
<b>Total</b>	<b>21.37</b>	<b>28.56</b>

Footnotes:

- i. Loan from Financial Institutions represents Car Loan taken from Daimler Financial Services India Pvt Ltd of ₹ 36.00 lacs for tenure of 5 years, repayable in monthly installments of ₹ 0.59 lacs .The amount payable in next 12 months has been shown as current maturities of long term debt in other financial liabilities shown in Note No. 17.

#### 15. Deferred Tax Liability:

Particulars	As at March 31, 2018 INR Lacs	As at March 31, 2017 INR Lacs
Deferred Tax Liabilities		
- on account of depreciation	7.59	5.84
<b>Total</b>	<b>7.59</b>	<b>5.84</b>

#### 16. Trade payables:

Particulars	As at March 31, 2018 INR Lacs	As at March 31, 2017 INR Lacs
Dues to Micro and Small enterprises	-	-
Dues to Others	331.07	11.49
<b>Total</b>	<b>331.07</b>	<b>11.49</b>

#### 17. Other financial liabilities:

Particulars	As at March 31, 2018 INR Lacs	As at March 31, 2017 INR Lacs
Current maturities of long term debt	4.71	3.48
Employee related payables	12.81	9.40
Other payables	26.48	3.35
<b>Total</b>	<b>44.00</b>	<b>16.23</b>

#### 18. Other current liabilities:

Particulars	As at March 31, 2018 INR Lacs	As at March 31, 2017 INR Lacs
Advances received from customers	67.86	26.39
Statutory dues payable	13.64	11.61
<b>Total</b>	<b>81.50</b>	<b>38.00</b>

## NOTES

### To Financial Statements (Contd.)

#### 19. Revenue From Operations:

Particulars	As at March 31, 2018 INR Lacs	As at March 31, 2017 INR Lacs
Income from fees earned	1,072.46	502.50
<b>Revenue from operations</b>	<b>1,072.46</b>	<b>502.50</b>

#### 20. Other Income:

Particulars	As at March 31, 2018 INR Lacs	As at March 31, 2017 INR Lacs
a) Interest Income		
Interest income on Fixed deposit	18.65	3.47
b) Other non-operating Income (Net of expenses directly attributable to such income)		
Investment Income	(0.23)	0.01
<b>Total</b>	<b>18.42</b>	<b>3.48</b>

#### 21. Employee Benefit Expense:

Particulars	As at March 31, 2018 INR Lacs	As at March 31, 2017 INR Lacs
Salaries, wages and bonus (including managerial remuneration)	150.00	103.02
Staff welfare expenses	4.28	2.68
<b>Total</b>	<b>154.28</b>	<b>105.70</b>

#### 22. Finance Costs:

Particulars	As at March 31, 2018 INR Lacs	As at March 31, 2017 INR Lacs
<b>Interest Expenses on:</b>		
Borrowings	2.97	13.01
Other borrowing costs (includes fees charged by banks for renewal of sanctioned limits, lead bank charges, etc)	0.17	0.11
<b>Total</b>	<b>3.14</b>	<b>13.12</b>

#### 23. Depreciation and amortisation expense:

Particulars	As at March 31, 2018 INR Lacs	As at March 31, 2017 INR Lacs
Depreciation of property, plant and equipment (Refer note 2)	11.51	10.77
Amortisation of intangible assets (Refer note 3)	-	-
<b>Total</b>	<b>11.51</b>	<b>10.77</b>

## NOTES

### To Financial Statements (Contd.)

#### 24. Impairment loss:

Particulars	As at March 31, 2018 INR Lacs	As at March 31, 2017 INR Lacs
Cochin Stock Exchange Membership Fees	-	6.64
<b>Total</b>	<b>-</b>	<b>6.64</b>

#### 25. Other Expenses:

Particulars	As at March 31, 2018 INR Lacs	As at March 31, 2017 INR Lacs
Rent Rates and Taxes	0.87	0.32
Telephone Expenses	2.40	2.38
Professional/Agency fees & Other expenses	419.16	131.96
Membership fees and subscription	3.00	2.75
Commission & Brokerage	32.75	14.39
Electricity Charges	3.27	4.36
Office Administration Expenses	134.90	72.14
Payment to Auditors (excluding service tax)	-	-
Audit Fees	1.50	0.80
For Taxation Matter	-	0.20
For Company Law Matters	-	0.10
For Internal Control Report	-	0.10
For Limited Review	0.19	0.30
Sundry balances written off	0.01	0.03
<b>Total</b>	<b>598.05</b>	<b>229.83</b>

#### 26. Income taxes:

##### a) Tax expense recognised in the Statement of profit and loss:

Particulars	As at March 31, 2018 INR Lacs	As at March 31, 2017 INR Lacs
<b>Current tax</b>		
Current year	87.62	48.06
<b>Total current tax</b>	<b>87.62</b>	<b>48.06</b>
<b>Deferred tax</b>		
Relating to origination and reversal of temporary difference	1.75	(1.82)
<b>Total deferred income tax expense/(credit)</b>	<b>1.75</b>	<b>(1.82)</b>
Short/(Excess) provision for tax- Previous years	(6.51)	(6.07)
<b>Total income tax expense/(credit)</b>	<b>82.86</b>	<b>40.17</b>

Reconciliation between the statutory income tax rate applicable to the Company and the effective income tax rate of the Company is as follows:

##### b) Reconciliation of effective tax rate:

Particulars	As at March 31, 2018 INR Lacs	As at March 31, 2017 INR Lacs
Profit /(loss) before taxation	323.90	139.91
Enacted income tax rate in India	27.55%	33.06%

## NOTES

### To Financial Statements (Contd.)

Tax at the enacted income tax rate	89.24	46.26
<b>Reconciliation line items:</b>		
Other items not taxable	6.39	6.09
<b>Tax expense/ (credit)</b>	<b>82.86</b>	<b>40.17</b>

c) The movement in deferred tax assets and liabilities during the year ended March 31, 2018 and March 31, 2017:

Particulars	As at April 01, 2016 INR Lacs	Credit/ (charge) in Statement of profit and loss INR Lacs	As at March 31, 2017 INR Lacs
<b>Deferred tax assets/(liabilities)</b>			
On Account of Depreciation	7.66	(1.82)	5.84
<b>TOTAL</b>	<b>7.66</b>	<b>(1.82)</b>	<b>5.84</b>

Particulars	As at April 01, 2017 INR Lacs	Credit/ (charge) in Statement of profit and loss INR Lacs	As at March 31, 2018 INR Lacs
<b>Deferred tax assets/(liabilities)</b>			
On Account of Depreciation	5.84	1.75	7.59
<b>TOTAL</b>	<b>5.84</b>	<b>1.75</b>	<b>7.59</b>

### 27. Contingent liabilities & Commitments:

The company does not have any contingent liabilities and Commitments (Including Capital Commitments as on March 31, 2018 (As at March 31, 2017 - Nil).

### 28. Earnings Per share:

Particulars	As at March 31, 2018	As at March 31, 2017
Profit after tax available for equity shareholders	241.04	99.74
Weighted average number of equity shares	119.77	114.09
Nominal value of equity shares	10.00	10.00
Basic and diluted Earning Per Share	2.01	0.87

### 29. Segment Reporting:

The Company's Board of Directors has been identified as the Chief Operating Decision Maker (CODM) as defined under Ind AS 108 "Operating Segments". The CODM evaluates the Company's performance and allocated the resources based on an analysis of various performance indicators. The Company is primarily engaged in the business of financial services. The same has been considered as business segment and the management considers these as a single reportable segment. Accordingly, disclosure of segment information has not been furnished

### 30. Related party disclosures:

As per IND AS 24, the disclosures of transactions with the related parties are given below:

## NOTES

### To Financial Statements (Contd.)

a)

Category	Name of the Related Party/ Relationship
Holding Company	Mahshri Enterprises Pvt Ltd
Subsidiary Company	Aryaman Capital Markets Ltd Escorp Asset Management Ltd
Key Managerial Personnel	Mr. Shripal Shah, Director & CFO Mr. Shreyas Shah, Director Mr. Deepesh Jain, Company Secretary
Entities in which KMP have significant influence	Vardhaman Investment (Proprietor - Mrs. Roopa Shah ) (Mother of Shripal Shah)

b) Transactions carried out with related parties referred in 1 above, in ordinary course of business:

Name of the Related Party	As at March 31, 2018 INR Lacs	As at March 31, 2017 INR Lacs
<b>Investment in Equity Shares of Subsidiaries</b>		
Escorp Asset Management Limited	-	410.00
Mr. Shripal Shah - Salary Paid	9.75	9.00
Mr. Shreyas Shah - Salary Paid	6.00	6.00
Mr. Deepesh Jain - Salary Paid	7.65	4.29

c) Balances outstanding:

Name of the Related Party	As at March 31, 2018 INR Lacs	As at March 31, 2017 INR Lacs
Office Deposit - Vardhaman Investment (Proprietor - Mrs. Roopa Shah)	250.00	250.00
<b>Salary Payable to:</b>		
Mr. Shripal Shah	1.45	0.75
Mr. Shreyas Shah	0.74	0.50
Mr. Deepesh Jain	0.80	0.50

### 31. Financial instruments:

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

1. The following methods and assumptions were used to estimate the fair values:

Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to short term maturities of these instruments.

2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- **Level 1:** Quoted (unadjusted) prices in active markets for identical assets or liabilities.



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### To Financial Statements (Contd.)

- **Level 2:** Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly
- **Level 3:** Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The carrying amounts and fair values of financial instruments by category are as follows:

#### For March 31, 2018:

Particulars	FVOCI INR Lacs	FVTPL INR Lacs	Amortised cost INR Lacs	Total fair value INR Lacs	Carrying Amount INR Lacs
<b>Financial assets</b>					
Investments	-	-	28.80	28.80	28.80
Trade receivables	-	-	5.71	5.71	5.71
Cash and cash equivalents	-	-	2.76	2.76	2.76
Other bank balances	-	-	654.25	654.25	654.25
Other financial assets	-	-	252.87	252.87	252.87
<b>Total Financial assets</b>	-	-	<b>944.39</b>	<b>944.39</b>	<b>944.39</b>
<b>Financial liabilities</b>					
Borrowings	-	-	21.37	21.37	21.37
Trade payables	-	-	331.07	331.07	331.07
Others	-	-	44.00	44.00	44.00
<b>Total financial liabilities</b>	-	-	<b>396.44</b>	<b>396.44</b>	<b>396.44</b>

#### For March 31, 2017:

Particulars	FVOCI INR Lacs	FVTPL INR Lacs	Amortised cost INR Lacs	Total fair value INR Lacs	Carrying Amount INR Lacs
<b>Financial assets</b>					
Investments	-	-	-	-	-
Trade receivables	-	-	16.66	16.66	16.66
Cash and cash equivalents	-	-	1.12	1.12	1.12
Other bank balances	-	-	92.40	92.40	92.40
Other financial assets	-	-	250.92	250.92	250.92
<b>Total Financial assets</b>	-	-	<b>361.10</b>	<b>361.10</b>	<b>361.10</b>
<b>Financial liabilities</b>					
Borrowings	-	-	28.56	28.56	28.56
Trade payables	-	-	11.49	11.49	11.49
Others	-	-	16.23	16.23	16.23
<b>Total financial liabilities</b>	-	-	<b>56.28</b>	<b>56.28</b>	<b>56.28</b>

There were no significant changes in classification and no significant movements between the fair value hierarchy classifications of financial assets and financial liabilities during the period.

#### 32. Financial risk factors:

The Company's principal financial liabilities comprise loans and borrowings, advances and trade and other payables. The purpose of these financial liabilities is to finance the Company's operations and to provide to support its operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

## NOTES

### To Financial Statements (Contd.)

#### a) Liquidity risk:

The risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk management implies maintenance sufficient cash including availability of funding through an adequate amount of committed credit facilities to meet the obligations as and when due.

The Company manages its liquidity risk by ensuring as far as possible that it will have sufficient liquidity to meet its short term and long term liabilities as and when due. Anticipated future cash flows are expected to be sufficient to meet the liquidity requirements of the Company. The Company does not have any undrawn borrowing facilities with the Banks/Financial institutions.

#### i. The following is the contractual maturities of the financial liabilities:

##### As at March 31, 2018:

Particulars	Carrying amount INR Lacs	Payable on demand INR Lacs	1-12 months INR Lacs	More than 12 months INR Lacs
Borrowings	21.37	-	-	21.37
Trade payables	331.07	-	331.07	-
Other financial liabilities	44.00	-	44.00	-
<b>Total</b>	<b>396.44</b>	<b>-</b>	<b>375.07</b>	<b>21.37</b>

##### As at March 31, 2017:

Particulars	Carrying amount INR Lacs	Payable on demand INR Lacs	1-12 months INR Lacs	More than 12 months INR Lacs
Borrowings	28.56	-	-	28.56
Trade payables	11.49	-	11.49	-
Other financial liabilities	16.23	-	16.23	-
<b>Total</b>	<b>56.28</b>	<b>-</b>	<b>27.72</b>	<b>28.56</b>

#### b) Market risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include investment, deposits, foreign currency receivables and payables. The Company's treasury team manages the Market risk, which evaluates and exercises independent control over the entire process of market risk management

#### i. Foreign currency risk:

Foreign currency risk can only arise on financial instruments that are denominated in a currency other than the functional currency in which they are measured. The Company's functional and presentation currency is INR. The Company does not have any foreign currency transactions and hence is not exposed to the Foreign Currency Risks.

#### ii. Interest rate risk:

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. The Company's does not have any long term borrowings. Hence, the Company is not exposed to the interest rate risk.

#### c) Credit risk:

## NOTES

### To Financial Statements (Contd.)

Credit risk is the risk of financial loss to the Company if a customer or counter-party fails to meet its contractual obligations. The Company is exposed to credit risks from its operating activities, primarily trade receivables, cash and cash equivalents, deposits with banks and other financial instruments. The Company is not significantly exposed to the credit risk toward trade receivables considering the nature of services provided by the Company

#### Trade receivables that have exposure to the Credit risks:

Particulars	As at March 31, 2018	As at March 31, 2017
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)	252.87	250.92
- Trade Receivables	5.71	16.66

#### Trade and other receivables:

The Company considers the probability of default upon initial recognition of assets and whether there has been a significant increase in credit risks on an ongoing basis throughout each reporting period.

To assess whether there is a significant change increase in credit risk the Company compares the risks of default occurring on the assets as at the reporting date with the risk of default as at the date of initial recognition. It considers the reasonable and supportive forward looking information such as:

- Actual or expected significant adverse changes in business.
- Actual or expected significant changes in the operating results of the counterparty
- Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations
- Significant increase in credit risk on other financial instruments of same counterparty

#### Ageing of the accounts receivables:

Particulars	As at March 31, 2018	As at March 31, 2017
	INR Lacs	INR Lacs
< six months	4.46	16.10
> six months	1.25	0.56
	<b>5.71</b>	<b>16.66</b>

Movement in provisions of doubtful debts and advances - There were no Provision of doubtful debts as on March 31, 2018 and March 31, 2017.

### 33. Capital risk management:

The Company's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital

In order to maintain or adjust the capital structure, the Company may issue new shares, adjust the amount of dividends paid to shareholders etc. The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

## **NOTES**

### **To Financial Statements (Contd.)**

#### **34. Recent accounting pronouncements:**

##### **Ind AS 115 - Revenue from Contracts with Customers:**

In March 2018, the Ministry of Corporate Affairs has notified the Companies (Indian Accounting Standards) Amended Rules, 2018 ("amended rules"). As per the amended rules, Ind AS 115 "Revenue from contracts with customers" supersedes Ind AS 11, "Construction contracts" and Ind AS 18, "Revenue" and is applicable for all accounting periods commencing on or after 1 April 2018.

Ind AS 115 introduces a new framework of five step model for the analysis of revenue transactions. The model specifies that revenue should be recognised when (or as) an entity transfer control of goods or services to a customer at the amount to which the entity expects to be entitled. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The new revenue standard is applicable to the Company from 1 April 2018.

The Company is evaluating the requirement of the amendment and the impact on the financial statements. The effect on adoption of Ind AS 115 is expected to be insignificant".

**35.** The financial statements were approved for issue by the Board of Directors on May 30, 2018.

**36.** The figures of the previous year's have been regrouped or reclassified wherever necessary to make them comparable

**The accompanying notes (Note No. 1 to 36) are integral part of the financial statements  
In terms of our attached report of even date**

#### **For V.N. PUROHIT & CO.**

Chartered Accountants  
Firm Registration No. 304040E

Sd/-

**CA O.P. Pareek**

Partner

Membership No: 014238

Place : Mumbai

Date: May 30, 2018

#### **For and on behalf of the Board of Director**

Sd/-

**Shripal Shah**

(Executive Director)

DIN: 01628855

Place : Mumbai

Date: May 30, 2018

Sd/-

**Shreyas Shah**

(Executive Director)

DIN: 01835575

Sd/-

**Deepesh Jain**

(Company Secretary)

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF ARYAMAN FINANCIAL SERVICES LIMITED**

#### **Report on the Consolidated Ind AS Financial Statements**

We have audited the accompanying Consolidated financial statements of **ARYAMAN FINANCIAL SERVICES LIMITED** ("the Holding Company" and its subsidiaries collectively referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash flows, the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Consolidated Ind AS Financial Statements").

#### **Management's Responsibility for the Consolidated Ind AS 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 Consolidated Ind AS financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act and relevant rules thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Ind AS 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 Consolidated Ind AS 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 thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Ind AS 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 Consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Consolidated Ind AS 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 Consolidated Ind AS financial statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Ind AS 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 including the Consolidated Ind AS, of the state of affairs (financial position) of the Company as at 31<sup>st</sup> March, 2018 and its profit (financial performance including other comprehensive income), its cash flows and changes in equity for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d) In our opinion, the aforesaid consolidated Ind AS 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 of the Holding Company as on 31<sup>st</sup> March, 2018 taken on record by the Board of Directors of the Holding Company, none of the directors are disqualified as on 31<sup>st</sup> March, 2018 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 Holding Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. There is no impact of any pending litigation on the consolidated financial position of the group.
    - ii. The Holding company did not have any long term contract including derivative contracts.
    - iii. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiaries.

**FOR V.N. PUROHIT & CO.**  
 Chartered Accountants  
 Firm Registration No: 304040E

**Sd/-**  
**O.P. Pareek**  
 Partner

Membership No. 014238

**Mumbai**  
**May 30, 2018**

## ANNEXURE A

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

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended 31<sup>st</sup> March, 2018, we have audited the internal financial controls over financial reporting of **ARYAMAN FINANCIAL SERVICES LIMITED** (hereinafter referred to as “the Holding Company” and a subsidiary collectively referred to as “the Group”).

#### **Management’s Responsibility for Internal Financial Controls**

The Board of Directors of the Holding Company are responsible for establishing and maintaining internal financial controls 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 (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls 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”) issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both 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 judgments, including the assessment of the risks of material misstatement of the Ind AS 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 Holding Company have broadly, 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 31<sup>st</sup> March, 2018, 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.

**FOR V.N. PUROHIT & CO.**  
Chartered Accountants  
Firm Registration No: 304040E

**Sd/-**  
**O.P. Pareek**  
Partner

Membership No. 014238

**Mumbai**  
**May 30, 2018**

# CONSOLIDATED BALANCE SHEET

As at March 31, 2018

Particulars	Note	As at March 31, 2018 INR Lacs	As at March 31, 2017 INR Lacs
<b>ASSETS</b>			
<b>Non-current Assets</b>			
(a) Property, plant and equipment	2	169.32	175.70
(b) Goodwill arising on consolidation		-	104.10
(c) Other intangible assets	3	0.50	0.89
(d) Financial Assets		-	-
i. Investments	4	3,542.67	2,355.01
ii. Other financial assets	5	407.19	409.42
(e) Other non-current assets	6	5.28	10.56
<b>Total Non-Current Assets</b>		<b>4,124.96</b>	<b>3,055.68</b>
<b>Current Assets</b>			
(a) Inventories	7	1,109.18	47.14
(b) Financial Assets			
i. Trade receivables	8	21.14	18.15
ii. Cash and cash equivalents	9	50.89	36.03
iii. Bank balances other than (ii) above	10	1,080.50	518.65
iv. Other financial assets	11	21.09	24.49
(c) Current tax assets (net)	12	32.81	22.87
(d) Other current assets	13	62.08	18.11
<b>Total Current Assets</b>		<b>2,377.70</b>	<b>685.44</b>
<b>TOTAL ASSETS</b>		<b>6,502.66</b>	<b>3,741.12</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share capital	14	1,168.20	1,168.20
(b) Other Equity	15	1,748.97	1,433.08
<b>Equity attributable to owners of the Company</b>		<b>2,917.17</b>	<b>2,601.28</b>
<b>Non - controlling interest</b>		<b>1,257.68</b>	<b>680.00</b>
<b>Total equity</b>		<b>4,174.85</b>	<b>3,281.28</b>
<b>Liabilities</b>			
<b>Non-Current liabilities</b>			
(a) Financial Liabilities			
i. Borrowings	16	21.37	28.57
(b) Deferred Tax Liability		26.03	9.44
<b>Total Non- Current liabilities</b>		<b>47.40</b>	<b>38.01</b>
<b>Current liabilities</b>			
(a) Financial Liabilities			
i. Borrowings	16	1,766.33	265.00
ii. Trade payables	17	339.51	18.08
iii. Other financial liabilities	18	46.68	38.14
(b) Other current liabilities	19	127.89	70.26
(c) Current tax liabilities (net)		-	30.35
<b>Total current liabilities</b>		<b>2,280.41</b>	<b>421.83</b>
<b>TOTAL LIABILITIES</b>		<b>2,327.81</b>	<b>459.84</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>6,502.66</b>	<b>3,741.12</b>

The accompanying notes (Note No. 1 to 37) are integral part of the financial statements

In terms of our attached report of even date

For V.N. PUROHIT & CO.  
Chartered Accountants  
Firm Registration No. 304040E

Sd/-  
**CA O.P. Pareek**  
Partner  
Membership No: 014238  
Place : Mumbai  
Date: May 30, 2018

For and on behalf of the Board of Director

Sd/-  
**Shripal Shah**  
(Executive Director)  
DIN: 01628855  
Place : Mumbai  
Date: May 30, 2018

Sd/-  
**Shreyas Shah**  
(Executive Director)  
DIN: 01835575

Sd/-  
**Deepesh Jain**  
(Company Secretary)

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

For the year ended March 31, 2018

Particulars	Note	For the year ended March 31, 2018 INR Lacs	For the year ended March 31, 2017 INR Lacs
I. Revenue From Operations	20	3,922.48	2,838.44
II. Other Income	21	18.42	3.49
<b>III. Total Income (I+II)</b>		<b>3,940.90</b>	<b>2,841.93</b>
<b>IV. EXPENSES</b>			
Purchase of Stock-in-trade		3,734.19	1,640.25
Changes in Inventories (Stock-in Trade)		(1,062.03)	457.66
Employee benefits expense	22	167.75	113.66
Finance costs	23	64.34	30.73
Depreciation and amortization expense	24	19.07	17.03
Impairment loss	25	-	6.64
Other expenses	26	634.61	260.47
<b>Total expenses (IV)</b>		<b>3,557.93</b>	<b>2,526.44</b>
<b>V. Profit before tax (III-IV)</b>		<b>382.97</b>	<b>315.49</b>
VI. Tax expense:			
(1) Current tax		88.85	84.99
(2) Mat Tax Expenses		9.29	-
(3) MAT credit entitlement		(9.84)	(0.81)
(4) Short/(Excess) provision for tax- Previous years		(6.51)	(6.07)
(5) Deferred tax		2.56	(1.21)
<b>Total Tax Expenses</b>		<b>84.34</b>	<b>76.90</b>
<b>VII. Profit for the year (V-VI)</b>		<b>298.63</b>	<b>238.59</b>
VIII. Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss			
- Changes in fair value of FVOCI equity shares, net of taxes		375.60	640.63
<b>IX. Total other comprehensive income (i - ii)</b>		<b>375.60</b>	<b>640.63</b>
<b>X. Total comprehensive income for the year (VII+IX)</b>		<b>674.23</b>	<b>879.23</b>
<b>Total Profit/(Loss) for the year attributable to:</b>			
- Owners of the Company		281.95	203.44
- Non - Controlling Company		16.67	35.11
<b>Other comprehensive income/(loss) for the year attributable to:</b>			
- Owners of the Company		209.55	485.62
- Non - Controlling Company		166.05	155.01
<b>Total Comprehensive income/(loss) for the year attributable to:</b>			
- Owners of the Company		491.50	689.10
- Non - Controlling Company		182.73	190.12
<b>XI. Earnings per equity share:</b>			
Basic & Diluted (Face value ₹10 per equity share)	28	2.41	1.74

The accompanying notes (Note No. 1 to 37) are integral part of the financial statements  
In terms of our attached report of even date

**For V.N. PUROHIT & CO.**  
Chartered Accountants  
Firm Registration No. 304040E

Sd/-  
**CA O.P. Pareek**  
Partner  
Membership No: 014238  
Place : Mumbai  
Date: May 30, 2018

**For and on behalf of the Board of Director**

Sd/-  
**Shripal Shah**  
(Executive Director)  
DIN: 01628855  
Place : Mumbai  
Date: May 30, 2018

Sd/-  
**Shreyas Shah**  
(Executive Director)  
DIN: 01835575

Sd/-  
**Deepesh Jain**  
(Company Secretary)

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended March 31, 2018

### a) Equity Share Capital:

Particulars	Amount INR Lacs
Balance as at 31st March, 2016	1,097.50
Changes in equity share capital during the year	70.70
Balance as at 31st March, 2017	1,168.20
Changes in equity share capital during the year	-
Balance as at 31st March, 2018	1,168.20

### b) Other Equity:

Particulars	Reserves and Surplus				Other comprehensive income (OCI)	Total Other Equity
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	FVOCI - Equity Instrument	
	INR Lacs	INR Lacs	INR Lacs	INR Lacs	INR Lacs	
As at 31st March, 2016	6.52	304.99	260.75	(60.43)	90.14	601.97
Securities premium received during the year	-	142.04				142.04
Profit for the year 2016-17	-	-		203.44		203.44
Other comprehensive income for the year 2016-17 (net of tax)	-	-			485.62	485.62
As at 31st March, 2017	6.52	447.03	260.75	143.01	575.76	1,433.08
Profit for the year 2017-18	-	-		281.95	-	281.95
Other comprehensive income for the year	-	-	-	-	209.55	209.55
Impact of Change in the Minority Interest	-	(129.36)	-	26.90	(73.15)	(175.61)
As at 31st March, 2018	6.52	317.68	260.75	451.86	712.16	1,748.97

The accompanying notes (Note No. 1 to 37) are integral part of the financial statements

In terms of our attached report of even date

For V.N. PUROHIT & CO.

Chartered Accountants

Firm Registration No. 304040E

Sd/-

CA O.P. Pareek

Partner

Membership No: 014238

Place : Mumbai

Date: May 30, 2018

For and on behalf of the Board of Director

Sd/-

Shripal Shah

(Executive Director)

DIN: 01628855

Place : Mumbai

Date: May 30, 2018

Sd/-

Shreyas Shah

(Executive Director)

DIN: 01835575

Sd/-

Deepesh Jain

(Company Secretary)

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended March 31, 2018

Particulars	For the year ended March 31, 2018 INR Lacs	For the year ended March 31, 2017 INR Lacs
<b>A. Cash flow from operating activities</b>		
Profit for the year before tax	382.96	315.44
<b>Adjustments for:</b>		
Finance costs	64.34	30.73
Depreciation and amortisation expense	19.07	18.05
Interest income	(33.28)	(31.57)
Investment income	(246.19)	(22.08)
Impairment loss	-	6.64
<b>Operating profit before working capital changes</b>	<b>186.91</b>	<b>317.21</b>
<b>Movements in working capital:</b>		
(Increase)/decrease in inventories	(1,062.04)	457.66
(Increase)/decrease in trade receivables	(2.99)	(10.81)
(Increase)/decrease in other assets	(616.87)	(168.55)
Increase/(decrease) in trade payables	321.43	7.38
Increase/(decrease) in other liabilities	406.27	68.98
Increase/(decrease) in provisions	-	9.20
<b>Cash generated from operations</b>	<b>(767.29)</b>	<b>681.07</b>
Direct taxes paid (net)	(130.53)	(53.72)
<b>Net cash from operating activities (A)</b>	<b>(897.83)</b>	<b>627.34</b>
<b>B. Cash flows from investing activities</b>		
Payment for property, plant and equipment (PPE)	(7.01)	(5.98)
Purchase of Investments (net)	(789.57)	31.57
Interest Income	33.28	22.08
Investment Income	246.19	(83.73)
Advances given	-	(1,070.06)
<b>Net cash (used in) investing activities (B)</b>	<b>(517.11)</b>	<b>(1,106.12)</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from Issue of Shares	-	263.18
Interest paid	(64.34)	(30.73)
Proceeds from Short term Borrowings (net)	1,494.13	258.05
(Increase)/decrease in other non-current assets	-	0.28
<b>Net cash (used in) financing activities (C)</b>	<b>1,429.79</b>	<b>490.79</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS [(A) + (B) + (C)]</b>	<b>14.86</b>	<b>12.01</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b>36.03</b>	<b>24.02</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>50.89</b>	<b>36.03</b>

In terms of our attached report of even date

**For V.N. PUROHIT & CO.**  
 Chartered Accountants  
 Firm Registration No. 304040E

Sd/-  
**CA O.P. Pareek**  
 Partner  
 Membership No: 014238  
 Place : Mumbai  
 Date: May 30, 2018

**For and on behalf of the Board of Director**

Sd/-  
**Shripal Shah**  
 (Executive Director)  
 DIN: 01628855  
 Place : Mumbai  
 Date: May 30, 2018

Sd/-  
**Shreyas Shah**  
 (Executive Director)  
 DIN: 01835575

Sd/-  
**Deepesh Jain**  
 (Company Secretary)

## **NOTES**

### To Financial Statements

#### **Note 1:**

##### **A. CORPORATE INFORMATION:**

The consolidated financial statements comprises financial statements of Aryaman Financial Services limited (Parent Company ) and its 2 subsidiaries (hereinafter to be referred as the Group) for the year ended March 31, 2018.

Aryaman Financial Services Limited is a public limited Group domiciled in India with its registered office located at 102, Ganga Chambers, 6A/1, W.E.A., Karol Bagh, New Delhi-110005. The Group is listed on BSE Limited (BSE). The group is engaged in the business of Financial services viz. Merchant Banking, Investments (Strategic & Non Strategic)"

##### **B. SIGNIFICANT ACCOUNTING POLICIES:**

###### **1. Basis of Preparation of Financial Statements:**

These Consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting standards) Rules as amended from time to time and other related provisions of the Act.

The financial statements of the Group are prepared on the accrual basis of accounting and Historical cost convention except for the following material items that have been measured at fair value as required by the relevant Ind AS:

- (i) Certain financial assets and liabilities are measured at Fair value (Refer note no. 7)

The accounting policies are applied consistently to all the periods presented in the financial statements. All assets and liabilities have been classified as current or non current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

The Consolidated financial statements are presented in INR, the functional currency of the Company. Rounding of amounts All amounts disclosed in the financial statements and notes have been rounded off to the nearest Lacs as per the requirement of Schedule III, unless otherwise stated.

###### **Basis of Consolidation:**

The consolidated financial statements comprise the financial statements of the Parent Group and its subsidiaries as at March 31, 2018.

###### **Subsidiaries:**

Subsidiaries are all entities over which the Group has control. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Group has

- a. Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- b. Exposure, or rights, to variable returns from its involvement with the investee
- c. The ability to use its power over the investee to affect its returns

Consolidation of a subsidiary begins when the group obtains control over the subsidiary and ceases when the Group losses control of the subsidiary.

###### **Consolidation Procedure:**

###### **Subsidiaries:**

- a. Combine, on line by line basis like items of assets, liabilities, equity, income, expenses and cash flows of the Parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

## **NOTES**

### To Financial Statements (Contd.)

- b. Offset (eliminate) the carrying amount of the Parent's investment in each subsidiary and the Parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- c. Eliminate in full intra-group assets and liabilities, equity, income, expenses and Cash flows relating to transactions between entities of the group (profits or losses resulting from intra-group transactions that are recognised in assets, such as inventory and property, plant and equipment (PPE), are eliminated in full). Intra-group losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intra-group transactions."

Profit or loss and each component of other comprehensive income are attributed to the owners of the Parent Group and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Parent Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies

#### **Changes in the Group's ownership interest in existing subsidiaries:**

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the group.

When the Group loses control of a subsidiary, a gain or loss is recognised in consolidated statement of profit and loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any noncontrolling interests.

## **2. Use of Estimates and judgments:**

The preparation of the financial statements requires the Management to make, judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. The recognition, measurement, classification or disclosure of an item or information in the financial statements is made relying on these estimates. The estimates and judgments used in the preparation of the financial statements are continuously evaluated by the management and are based on historical experience and various other assumptions and factors (including expectations of future events) that the management believes to be reasonable under the existing circumstances. Actual results may differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

#### **Critical accounting judgments and key source of estimation uncertainty:**

The Group is required to make judgments, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. The estimates and underlying assumptions are reviewed on an on-going basis.

(a) Estimation of current tax expenses and payable - Refer note no. – 14

## **3. Property, plant and equipment (PPE):**

Property, plant and equipment is stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any.

The cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable costs of bringing the asset to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the item and restoring the site on which it is located.

## **NOTES**

### To Financial Statements (Contd.)

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

#### **4. Intangible assets:**

Intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

#### **5. Depreciation and Amortization:**

##### **a) Property Plant and Equipment (PPE):**

Depreciation is provided on a pro-rata basis on the straight line method based on estimated useful life prescribed under Schedule II to the Companies Act, 2013. Freehold Land is not being depreciated.

The residual values, useful lives and method of depreciation of property, plant and equipment is reviewed at each financial year end and adjusted prospectively, if appropriate. "

##### **Estimated useful life is as below:**

Computer - 3 Years

Furniture and fixtures - 10 years

Office equipments - 5 years

Motor Vehicles - 8 years

Leasehold premises - 30 years

##### **b) Intangible Assets:**

The useful lives of intangible assets are assessed as either finite or indefinite. Finite-life intangible assets are amortised on a straight-line basis over the period of their expected useful lives.

The amortisation period and the amortisation method for finite life intangible assets is reviewed at each financial year end and adjusted prospectively, if appropriate. For indefinite life intangible assets, the assessment of indefinite life is reviewed annually to determine whether it continues, if not, it is impaired or changed prospectively basis revised estimates.

#### **6. Investment Properties:**

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property. Investment property is measured at its cost, including related transaction costs and where applicable borrowing costs less depreciation and impairment if any.

Depreciation on building is provided based on straight line method using the useful life as specified in schedule II of the Companies Act, 2013.

#### **7. Financial Instruments:**

##### **Financial Assets:**

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instruments.

##### **Equity Instruments:**

Considering the entity's business model for managing equity instruments; the investments in equity shares have been recognised at fair value as on date of balance sheet. Fair value movements are recognised in the other comprehensive income (OCI).

Dividends on these investments in equity instruments are recognised in Statement of Profit and Loss when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognised in Statement of Profit and Loss are included in the 'Other income' line item.

##### **Derecognition:**

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers rights to receive cash flows from an asset, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement.



## **NOTES**

### To Financial Statements (Contd.)

In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

#### **Financial Liabilities:**

##### **Initial Recognition and measurement:**

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial liabilities are initially recognised at fair value net of transaction costs for all financial liabilities not carried at fair value through profit or loss.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

##### **Subsequent measurement:**

Financial liabilities measured at amortised cost are subsequently measured at using EIR method. Financial liabilities carried at fair value through profit or losses are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

##### **Loans & Borrowings:**

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using EIR method. Gains and losses are recognized in profit & loss when the liabilities are derecognized as well as through EIR amortization process.

##### **Financial Guarantee Contracts:**

Financial guarantee contracts issued by the Company are those contracts that requires a payment to be made or to reimburse the holder for a loss it incurs because the specified debtors fails to make payment when due in accordance with the term of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee.

##### **De-recognition:**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

##### **Offsetting of financial instruments:**

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

The Company measures financial instruments, such as, derivatives, investments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- (a) In the principal market for the asset or liability, or
- (b) In the absence of a principal market, in the most advantageous market for the asset or liability

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- **Level 1** - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- **Level 2** - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- **Level 3** - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

## **NOTES**

### To Financial Statements (Contd.)

#### **Derecognition:**

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers rights to receive cash flows from an asset, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement.

In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

#### **Financial Liabilities:**

##### **Initial Recognition and measurement:**

Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments. Financial liabilities are initially recognised at fair value net of transaction costs for all financial liabilities not carried at fair value through profit or loss.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

##### **Subsequent measurement:**

Financial liabilities measured at amortised cost are subsequently measured at using EIR method. Financial liabilities carried at fair value through profit or losses are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

##### **Loans & Borrowings:**

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using EIR method. Gains and losses are recognized in profit & loss when the liabilities are derecognized as well as through EIR amortization process.

##### **Financial Guarantee Contracts:**

Financial guarantee contracts issued by the Group are those contracts that requires a payment to be made or to reimburse the holder for a loss it incurs because the specified debtors fails to make payment when due in accordance with the term of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. "

##### **De-recognition:**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

##### **Derivative financial instruments:**

The Group uses derivative financial instruments, such as forward foreign exchange contracts, to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value, with changes in fair value recognised in Statement of Profit and Loss.

##### **Offsetting of financial instruments:**

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

#### **8. Fair Value Measurement:**

The Group measures financial instruments, such as, derivatives, investments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- a) In the principal market for the asset or liability, or
- b) In the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

## **NOTES**

To Financial Statements (Contd.)

- (i) Level 1-Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- (ii) Level 2-Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- (iii) Level 3-Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

### **9. Inventory:**

Inventories are valued at the lower of cost and net realisable value. Cost is computed on a weighted average basis.

### **10. Cash and Cash Equivalents:**

Cash and Cash equivalents include cash and Cheque in hand, bank balances, demand deposits with banks and other short-term highly liquid investments that are readily convertible to known amounts of cash & which are subject to an insignificant risk of changes in value where original maturity is three months or less.

### **11. Foreign Currency Transactions:**

#### **a) Initial Recognition:**

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of Profit and Loss of the year.

#### **b) Measurement of Foreign Currency Items at the Balance Sheet Date:**

Foreign currency monetary items of the Group are restated at the closing exchange rates. Non monetary items are recorded at the exchange rate prevailing on the date of the transaction. Exchange differences arising out of these transactions are charged to the Statement of Profit and Loss.

### **12. Revenue Recognition:**

#### **Rendering of Services:**

Income from services rendered is recognised based on invoices raised for service provided on an accrual basis. Revenue is measured at fair value of the consideration received or receivable; after deduction of any discounts and any taxes or duties collected on behalf of the government which is levied on sales such as Goods & Service tax, sales tax, value added tax, etc.

#### **Interest:**

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the interest rate applicable and based on Effective interest rate method.

#### **Dividend:**

Dividend Income is recognized when right to receive the same is established.

### **13. Employee Benefits:**

Employee Benefits: - The Group does not falls within the applicability of Employee Benefit plans.

### **14. Income Taxes:**

Income tax comprises current and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to items directly recognized in equity or in other comprehensive income.

Current tax is based on taxable profit for the year. Taxable profit is different from accounting profit due to temporary differences between accounting and tax treatments, and due to items that are never taxable or tax deductible. Tax provisions are included in current liabilities. Interest and penalties on tax liabilities are provided for in the tax charge. The Group offsets, the current tax assets

## **NOTES**

### To Financial Statements (Contd.)

and liabilities (on a year on year basis) where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis or to realise the assets and liabilities on net basis.

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements. Deferred income tax asset are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. Deferred tax assets are not recognised where it is more likely than not that the assets will not be realised in the future.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Minimum Alternative Tax ('MAT') credit is recognised as an asset only when and to the extent there is convincing evidence that the Group will pay normal income-tax during the specified period. The Group reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Group will pay normal income-tax during the specified period.

#### **15. Borrowing Cost:**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalized as a part of Cost of that assets, during the period till all the activities necessary to prepare the Qualifying assets for its intended use or sale are complete during the period of time that is required to complete and prepare the assets for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowing costs are recognized as an expense in the period in which they are incurred.

#### **16. Earnings Per Share:**

Basic earnings per shares are calculated by dividing the net profit or loss after tax for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to the equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

#### **17. Leases:**

##### **Where the Group is Lessee:**

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on accrual basis as per the terms of agreements entered with the counter parties.

##### **Where the Group is Lessor:**

Leases in which the Group does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in property, plant and equipment. The Group recognizes lease rentals from the property leased out, on accrual basis as per the terms of agreements entered with the counter parties. Costs, including depreciation, are recognized as an expense in the Statement of Profit and Loss.

#### **18. Provisions, Contingent Liabilities and Contingent Assets:**

A provision is recognised if, as a result of a past event, the group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Group from a contract are lower than the unavoidable costs of meeting the future obligations under the contract.

## NOTES

To Financial Statements (Contd.)

A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources or an obligation for which the future outcome cannot be ascertained with reasonable certainty. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are neither recognized nor disclosed in financial statements.

### 2. Property, plant and equipment:

#### Gross Carrying Amount:

Particulars	Freehold land	Leasehold Premises	Furniture & Fixtures	Office Equipment	Computer	Motor Vehicle	Total
	INR Lacs	INR Lacs	INR Lacs	INR Lacs	INR Lacs	INR Lacs	INR Lacs
Balance as at March 31, 2016	83.43	43.63	0.25	0.48	8.59	62.80	199.18
Additions	-	-	0.39	0.70	4.00	-	5.09
Disposals	-	-	-	-	-	-	-
Balance as at March 31, 2017	83.43	43.63	0.64	1.18	12.59	62.80	204.27
Additions	-	-	-	0.48	6.59	-	7.07
Disposals	-	-	0.06	-	-	-	0.06
Balance as at March 31, 2018	83.43	43.63	0.58	1.66	19.18	62.80	211.28

#### Accumulated depreciation:

Particulars	Freehold land	Leasehold Premises	Furniture & Fixtures	Office Equipment	Computer	Motor Vehicle	Total
	INR Lacs	INR Lacs	INR Lacs	INR Lacs	INR Lacs	INR Lacs	INR Lacs
Balance as at March 31, 2016	-	2.17	0.13	0.27	5.70	8.57	16.84
Depreciation expense	-	0.71	0.04	0.09	3.43	7.46	11.73
Eliminated on disposals of assets	-	-	-	-	-	-	-
Balance as at March 31, 2017	-	2.88	0.17	0.36	9.13	16.03	28.57
Depreciation expense	-	0.72	0.06	0.29	4.87	7.46	13.40
Eliminated on disposals of assets	-	-	-	-	-	-	-
Balance as at March 31, 2018	-	3.60	0.23	0.65	14.00	23.49	41.97
Net carrying amount as at March 31, 2018	83.43	40.03	0.35	1.01	5.18	39.31	169.31
Net carrying amount as at March 31, 2017	83.43	40.75	0.47	0.82	3.46	46.77	175.70

### 3. Intangible assets:

#### Gross Carrying Amount:

Particulars	Cochin Stock Exchange Membership	Software	Total
	INR Lacs	INR Lacs	INR Lacs
Balance as at March 31, 2016	16.60	-	16.60
Additions	-	0.90	0.90
Disposals	-	-	-
Balance as at March 31, 2017	16.60	0.90	17.50

## NOTES

To Financial Statements (Contd.)

Additions	-	-	-
Disposals	-	-	-
<b>Balance as at March 31, 2018</b>	<b>16.60</b>	<b>0.90</b>	<b>17.50</b>

### Accumulated Amortization / Impairment:

Particulars	Cochin Stock Exchange Membership INR Lacs	Software INR Lacs	Total INR Lacs
<b>Balance as at 31st March, 2016</b>	8.30	-	<b>8.30</b>
Amortisation expense	1.66	0.01	<b>1.67</b>
on disposals of assets	-	-	-
on Impairment of assets	6.64	-	<b>6.64</b>
<b>Balance as at 31st March, 2017</b>	<b>16.60</b>	<b>0.01</b>	<b>16.61</b>
Amortisation expense	-	0.39	<b>0.39</b>
on disposals of assets	-	-	-
<b>Balance as at 31st March, 2018</b>	<b>16.60</b>	<b>0.40</b>	<b>17.00</b>
<b>Net carrying amount as at March 31, 2018</b>	-	<b>0.89</b>	<b>0.89</b>
<b>Net carrying amount as at March 31, 2017</b>	-	<b>0.50</b>	<b>0.50</b>

### 4. Investments:

Particulars	As at March 31, 2018 INR Lacs	As at March 31, 2017 INR Lacs
<b>Investments measured at Fair Value through Other Comprehensive Income</b>		
<b>Quoted, Fully paid up :</b>		
28,800 (previous year - Nil) Equity shares of ₹ 10 each of Yasho Industries Ltd.	28.80	-
1,28,000 (previous year - Nil) Equity Shares of @ ₹ 10 Each of Advitiya Trade India Ltd.	21.17	-
2,232 (previous year - 1,76,000) Equity Shares of ₹ 10 each of AGI Infra Ltd.	3.79	249.92
2,00,400 (previous year 1,38,000) Equity shares of ₹ 10 each of Bajaj Health Care Ltd.	1,585.60	1,076.40
52,800(previous year - 2,10,000) Equity shares of ₹10 each of Mitsu Chem Plast Ltd.	74.98	369.60
Nil (previous year - 2,500) Equity shares of ₹ 10 each of KP Energy Ltd.	-	3.20
Nil (previous year 6,16,000 ) Equity shares of ₹10 each of Vaksons Automobile Ltd.	-	140.14
1,92,000 (previous year - 1,92,000) Equity shares of ₹ 10 each of SRG Securities Finance Ltd.	81.60	40.61
Nil (previous year - 4,05,600) Equity shares of ₹ 10 each of Vises Info Ltd.	-	0.77
1,17,000 (previous year - 44,000) Equity shares of ₹ 10 each of Diksat Transworld Ltd.	533.28	223.60
Nil (previous year - 7,200) Equity shares of ₹ 10 each of Valiant Organics Ltd.	-	31.32
Nil (previous year - 4,300) Equity shares of ₹ 10 each of Manas Properties Ltd.	-	15.49
1,50,000(previous year - 78,000) Equity shares of ₹ 10 each of Maximus International Ltd.	51.90	19.62
1,42,400(previous year - 49,600) Equity shares of ₹10 each of Octware Technologies Ltd.	128.23	44.64
Nil (previous year - 62,000 ) Equity shares of ₹ 10 each of Prime Customer Services Ltd.	-	37.51
Nil (previous year - 9,600) Equity shares of ₹ 10 each of Amarpali Fincap Ltd.	-	6.61
2,04,000(previous year - 1,58,000) Equity shares of ₹ 10 each of Tanvi Foods India Ltd.	135.15	95.58
3,68,000 (previous year - Nil) Equity shares of ₹10 each of Shreeshay Engineers Ltd	58.77	-
73,200 (previous year - Nil) Equity shares of ₹ 10 each of Silly Monks Entertainment Ltd	86.74	-
1,20,000 (previous year - Nil) Equity shares of ₹ 10 each of CKP Leisure Ltd	33.60	-
2,92,000 (previous year - Nil) Equity shares of ₹10 each of Geekay Wire Ltd	105.13	-
50,000 (previous year - Nil) Equity shares of ₹10 each of India Bull Venture Ltd	121.25	-
4,05,006 (previous year - Nil) Equity shares of ₹10 each of Visesh Infotechnic Ltd	0.93	-
48,000 (previous year - Nil) Equity shares of ₹ 10 each of Giriraj Civil Developers Ltd	48.00	-
79,200 (previous year - Nil) Equity shares of ₹ 10 each of Uravi T & Wedge Lamps Ltd	79.20	-
1,48,800 (previous year - Nil) Equity shares of ₹ 10 each of Yasho Industries Ltd	148.80	-

## NOTES

To Financial Statements (Contd.)

1,93,200 (previous year - Nil) Equity shares of ₹ 10 each of Medico Remedies Ltd	187.40	-
66,000 (previous year - Nil) Equity shares of ₹10 each of Ashoka Metcast Ltd	5.61	-
<b>Investments measured at Fair Value through Other Comprehensive Income (Quoted, partly paid)</b>		
9,375 (Previous year - Nil) Equity shares of ₹ 10 each of India Bull Venture Ltd	22.74	-
<b>Aggregate amount of investments</b>	<b>3,542.67</b>	<b>2,355.01</b>
<b>Market Value of Quoted Investments</b>	<b>3,542.67</b>	<b>2,355.01</b>
<b>Aggregate Value of Quoted Investments (at cost)</b>	<b>2,382.60</b>	<b>1,593.04</b>

### 5. Other Non-current Financial assets:

Particulars	As at March 31, 2018 INR Lacs	As at March 31, 2017 INR Lacs
<b>Unsecured, considered good</b>		
Security deposits for Properties	250.50	250.00
Security Deposits (Stock Exchanges)	150.00	154.31
Unamortised Expenses-Initial Public Offer	6.59	5.01
Other deposits	0.10	0.10
<b>Total</b>	<b>407.19</b>	<b>409.42</b>

### 6. Other Non-Current Assets:

Particulars	As at March 31, 2018 INR Lacs	As at March 31, 2017 INR Lacs
Unamortized Expenses-Initial Public Offer	5.28	10.56
<b>Total</b>	<b>5.28</b>	<b>10.56</b>

### 7. Inventories:

Particulars	As at March 31, 2018 INR Lacs	As at March 31, 2017 INR Lacs
Quoted Equities-Closing Stock	1,109.18	47.14
<b>Total</b>	<b>1,109.18</b>	<b>47.14</b>

### 8. Trade receivables:

Particulars	As at March 31, 2018 INR Lacs	As at March 31, 2017 INR Lacs
<b>Unsecured, considered good</b>	21.14	18.15
<b>Total</b>	<b>21.14</b>	<b>18.15</b>

#### Footnotes:

i) No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person.

## NOTES

To Financial Statements (Contd.)

### 9. Cash & cash equivalents:

Particulars	As at March 31, 2018 INR Lacs	As at March 31, 2017 INR Lacs
Balances with banks		
i) in current accounts	45.28	7.24
Nominal value per share	5.61	28.79
<b>Total</b>	<b>50.89</b>	<b>36.03</b>

### 10. Bank balances other than cash and cash equivalents:

Particulars	As at March 31, 2018 INR Lacs	As at March 31, 2017 INR Lacs
Fixed deposits with bank	1,080.50	518.65
<b>Total</b>	<b>1,080.50</b>	<b>518.65</b>

### 11. Other financial assets:

Particulars	As at March 31, 2018 INR Lacs	As at March 31, 2017 INR Lacs
Interest accrued but not due on fixed deposits	21.09	24.49
<b>Total</b>	<b>21.09</b>	<b>24.49</b>

### 12. Current tax assets(net):

Particulars	As at March 31, 2018 INR Lacs	As at March 31, 2017 INR Lacs
Income tax assets		
- TDS	189.97	92.12
- Provision for tax	(157.16)	(99.61)
<b>Total</b>	<b>32.81</b>	<b>(7.49)</b>

### 13. Other Current assets:

Particulars	As at March 31, 2018 INR Lacs	As at March 31, 2017 INR Lacs
Advance to suppliers	0.44	-
GST Excess Paid(Refundable)	12.42	-
GST Input Tax	34.33	-
Prepaid expenses	14.22	17.87
Other Current assets	0.67	0.24
<b>Total</b>	<b>62.08</b>	<b>18.11</b>

### 14. Equity share capital:

Particulars	As at March 31, 2018 INR Lacs	As at March 31, 2017 INR Lacs
<b>Authorised:</b>		
1,17,00,000 (31.03.2017: 1,17,00,000) Equity Shares of ₹ 10 each	1,170.00	1,170.00
<b>Issued, Subscribed and Paid up:</b>		
1,16,82,000 (31.03.2017: 1,16,82,000) Equity Shares of ₹ 10 each	1,168.20	1,168.20
<b>Total</b>	<b>1,168.20</b>	<b>1,168.20</b>



## NOTES

To Financial Statements (Contd.)

### Notes:

#### 14.1 Reconciliation of number of shares outstanding at the beginning and end of the year:

##### Authorized share capital:

Particulars	As at March 31, 2018 INR Lacs	As at March 31, 2017 INR Lacs
Balance as at 31st March, 2016	117.00	117.00
Add / (Less): Changes during the year	-	-
Balance as at 31st March, 2017	117.00	117.00
Add / (Less): Changes during the year	-	-
Balance as at 31st March, 2018	117.00	117.00

##### Issued, Subscribed and Paid up share capital:

Particulars	As at March 31, 2018 INR Lacs	As at March 31, 2017 INR Lacs
Balance as at 31st March, 2016	116.82	1,097.50
Add / (Less): Changes during the year	-	70.70
Balance as at 31st March, 2017	116.82	1,168.20
Add / (Less): Changes during the year	-	-
Balance as at 31st March, 2018	116.82	1,168.20

#### 14.2 Terms / rights attached to Equity Shares:

The Company has only one class of equity shares having a par value of ₹ 10/-. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends if any, in Indian rupees. The dividend proposed, if any, by the Board of Directors is subject to the approval of the Shareholders at the ensuing Annual General Meeting, except in case of interim dividend.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the Shareholders.

#### 14.3 Details of shares held by each shareholder holding more than 5% shares in the Company:

Equity share of ₹ 10 each fully paid up with voting rights	Number of fully paid equity shares	Holding (%)
<b>Mahshri Enterprises Private Limited</b>		
As at 31st March, 2017	7,083,030	60.63%
As at 31st March, 2018	7,083,030	60.63%

#### 15. Other equity:

Particulars	As at March 31, 2018 INR Lacs	As at March 31, 2017 INR Lacs
Capital reserve	6.52	6.52
General reserve	260.75	260.75
Securities premium	317.68	447.04
Retained earnings	451.86	143.01
Other Comprehensive Income	712.16	575.76
<b>TOTAL</b>	<b>1,748.98</b>	<b>1,433.08</b>

## NOTES

To Financial Statements (Contd.)

### 15.1 Capital reserve:

Particulars	As at March 31, 2018 INR Lacs	As at March 31, 2017 INR Lacs
Balance as at beginning of the year	6.52	6.52
Add/(Less): Movement during the year	-	-
<b>Balance as at end of the year</b>	<b>6.52</b>	<b>6.52</b>

### 15.2 Securities premium:

Particulars	As at March 31, 2018 INR Lacs	As at March 31, 2017 INR Lacs
Balance as at beginning of the year	447.03	304.99
Add/(Less): On share issued during the year	-	142.04
Add/(Less): Adjusted against minority interest	(129.36)	-
<b>Balance as at end of the year</b>	<b>317.68</b>	<b>447.03</b>

### 15.3 General reserve:

Particulars	As at March 31, 2018 INR Lacs	As at March 31, 2017 INR Lacs
Balance as at beginning of the year	260.75	260.75
Add/(Less): Movement during the year	-	-
<b>Balance as at end of the year</b>	<b>260.75</b>	<b>260.75</b>

#### Note:

The general reserve is used from time to time to transfer profits from retained earnings for appropriations purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

### 15.4 Retained Earnings:

Particulars	As at March 31, 2018 INR Lacs	As at March 31, 2017 INR Lacs
Balance as at beginning of the year	143.01	(60.43)
Add/(Less): Profit for the year	281.95	203.44
Add/(Less): Adjusted against minority interest	26.90	-
<b>Balance as at end of the year</b>	<b>451.86</b>	<b>143.01</b>

### 15.5 Other Comprehensive Income:

Particulars	As at March 31, 2018 INR Lacs	As at March 31, 2017 INR Lacs
Balance as at beginning of the year	575.76	90.14
Add/(Less): Profit for the year	209.55	485.62
Add/(Less): Adjusted against minority interest	(73.15)	-
<b>Total</b>	<b>712.16</b>	<b>575.76</b>

## NOTES

To Financial Statements (Contd.)

### 16. Borrowings:

Particulars	As at March 31, 2018 INR Lacs	As at March 31, 2017 INR Lacs
<b>(A) Borrowings – Non Current</b>		
<b>Secured</b>		
From Banks	-	-
From Financial Institutions (Refer note (i) below)	21.37	28.57
<b>(B) Borrowings – Current</b>		
<b>Unsecured</b>		
From Financial Institutions (Refer note (ii) below)	1,766.33	265.00
<b>TOTAL</b>	<b>1,766.33</b>	<b>265.00</b>

**Footnotes: Security and other details:** (i) Loan from Financial Institutions represents Car Loan taken from Daimler Financial Services India Pvt Ltd of ₹ 36,00,000 for a tenure of 5 years, repayable in monthly installments of ₹ 59,436/- . The amount payable in next 12 months has been shown as current maturities of long term debt in other financial liabilities shown in Note No. 18.

(ii) As at March 31, 2017, the borrowings include ₹ 265 lacs taken from ARC Finance Ltd carrying an interest rate of 10.00 % p.a. and repayable in 0-1 years.

### Deferred Tax Liability:

Particulars	As at March 31, 2018 INR Lacs	As at March 31, 2017 INR Lacs
Deferred Tax Liabilities		
- on account of depreciation	12.83	10.26
Deferred Tax Liabilities (OCI)	22.49	-
MAT Credit entitlement	(9.29)	(0.82)
<b>Total</b>	<b>26.03</b>	<b>9.44</b>

### 17. Trade payables:

Particulars	As at March 31, 2018 INR Lacs	As at March 31, 2017 INR Lacs
Dues to Micro and Small enterprises	-	-
Dues to Others	339.51	18.08
<b>Total</b>	<b>339.51</b>	<b>18.08</b>

### 18. Other Financial Liabilities:

Particulars	As at March 31, 2018 INR Lacs	As at March 31, 2017 INR Lacs
Interest payable on borrowings	-	15.34
Current maturities of long term debt	4.71	3.48
Employee related payables	13.96	9.93
Other payables	26.51	3.35
Conveyance Payable	0.02	0.03
Director Sitting Fees Payable	0.35	0.15
BSE General Charges Payable	1.13	0.86
Provision for IPO Expenses	-	5.00
<b>Total</b>	<b>46.68</b>	<b>38.14</b>

## NOTES

To Financial Statements (Contd.)

### 19. Other current Liabilities:

Particulars	As at March 31, 2018 INR Lacs	As at March 31, 2017 INR Lacs
Advances received from Customers	107.77	56.59
Other liabilities	13.71	13.59
Statutory dues payable	6.41	0.08
<b>Total</b>	<b>127.89</b>	<b>70.26</b>

### 20. Revenue From Operations:

Particulars	As at March 31, 2018 INR Lacs	As at March 31, 2017 INR Lacs
Income from fees earned	1,165.54	556.11
Income from Investments	265.56	112.11
Income from Interest	14.63	23.85
Income from Dividend	0.96	-
Sales (Stock in Trade)	2,475.79	2,146.37
<b>Total</b>	<b>3,922.48</b>	<b>2,838.44</b>

### 21. Other Income:

Particulars	As at March 31, 2018 INR Lacs	As at March 31, 2017 INR Lacs
a) Interest Income		-
i. Interest income (Refer note (i) below)	18.65	3.48
b) Other non-operating Income (Net of expenses directly attributable to such income)		
Investment Income	(0.23)	0.01
Miscellaneous Income (Interest on I.T Refund)	-	0.00
<b>Total</b>	<b>18.42</b>	<b>3.49</b>

#### Notes:

#### (i) Interest Income comprises:

Particulars	As at March 31, 2018 INR Lacs	As at March 31, 2017 INR Lacs
Interest on fixed deposits	18.65	3.48
<b>Total</b>	<b>18.65</b>	<b>3.48</b>

### 22. Employee Benefit Expense:

Particulars	As at March 31, 2018 INR Lacs	As at March 31, 2017 INR Lacs
Salaries, wages and bonus (including managerial remuneration)	162.08	110.38
Staff welfare expenses	5.67	3.28
<b>Total</b>	<b>167.75</b>	<b>113.66</b>

### 23. Finance Costs:

Particulars	As at March 31, 2018 INR Lacs	As at March 31, 2017 INR Lacs
Interest Expenses on:		
Borrowings	64.14	30.52
Other borrowing costs (includes fees charged by banks for renewal of sanctioned)	0.20	0.21

## NOTES

To Financial Statements (Contd.)

limits, lead bank charges, etc)		
<b>Total</b>	<b>64.34</b>	<b>30.73</b>

### 24. Depreciation and amortisation expense:

Particulars	As at March 31, 2018 INR Lacs	As at March 31, 2017 INR Lacs
Depreciation of property, plant and equipment (Refer note 2)	13.40	11.74
Amortisation of intangible assets (Refer note 3)	0.39	0.01
IPO Expenses amortised	5.29	5.28
<b>Total</b>	<b>19.07</b>	<b>17.03</b>

### 25. Impairment Loss:

Particulars	As at March 31, 2018 INR Lacs	As at March 31, 2017 INR Lacs
Cochin Stock Exchange Membership Fees	-	6.64
<b>Total</b>	<b>-</b>	<b>6.64</b>

### 26. Other Expenses:

Particulars	As at March 31, 2018 INR Lacs	As at March 31, 2018 INR Lacs
Rent Rates and Taxes	0.87	0.32
Telephone Expenses	3.72	2.91
Professional/Agency fees & Other expenses	420.34	133.04
Membership fees and subscription	6.38	5.18
Commission & Brokerage	32.79	14.39
Electricity Charges	3.27	4.36
Office Administration Expenses	163.50	97.85
Payment to Auditors (excluding service tax)	-	-
Audit Fees	2.33	1.35
For Taxation Matter	-	0.20
For Company Law Matters	-	0.10
For Internal Control Report	-	0.20
For Limited Review	0.27	0.54
Sundry balances written off	1.14	0.03
<b>Total</b>	<b>634.61</b>	<b>260.47</b>

### 27. Contingent liabilities & Commitments:

The Group does not have any contingent liabilities and Commitments (Including Capital Commitments as on March 31, 2018 (As at March 31, 2017 - Nil).

### 28. Earning Per share:

Particulars	As at March 31, 2018	As at March 31, 2018
Profit after tax available for equity shareholders (INR Lacs)	281.95	203.44
Weighted average number of equity shares (Nos.)	116.82	116.82
Nominal value of equity shares of ₹ 10 each	10.00	10.00
Basic and diluted Earning Per Share - INR	2.41	1.74

## NOTES

To Financial Statements (Contd.)

### 29. Segment Reporting:

The Group's Board of Directors has been identified as the Chief Operating Decision Maker (CODM) as defined under Ind AS 108 "Operating Segments". The CODM evaluates the Company's performance and allocated the resources based on an analysis of various performance indicators. The Group is primarily engaged in the business of financial services. The same has been considered as business segment and the management considers these as a single reportable segment. Accordingly, disclosure of segment information has not been furnished.

### 30. Related party disclosures:

As per IND AS 24, the disclosures of transactions with the related parties are given below:

a)

Category	Name of the Related Party/ Relationship
Holding Company	Mahshri Enterprises Pvt Ltd
	Mr. Shripal Shah, Director & CFO
Key Managerial Personnel	Mr. Shreyas Shah, Director
	Mr. Deepesh Jain, Company Secretary
Entities in which KMP have significant influence	Vardhaman Investment (Proprietor - Mrs. Roopa Shah (Mother of Shripal Shah)
	Mrs. Meloni Shah (Wife of Shripal Shah & Employee)

#### b) Transactions carried out with related parties referred in 1 above, in ordinary course of business:

Name of the Related Party	As at March 31, 2018 INR Lacs	As at March 31, 2017 INR Lacs
Mr. Shripal Shah - Salary Paid	9.75	9.00
Mr. Shreyas Shah - Salary Paid	6.00	6.00
Mr. Deepesh Jain - Salary Paid	7.65	4.29
Mrs. Meloni Shah - Salary Paid	1.95	3.04

#### c) Balances outstanding:

Name of the Related Party	As at March 31, 2018 INR Lacs	As at March 31, 2017 INR Lacs
Office Deposit - Vardhaman Investment (Proprietor - Mrs. Roopa Shah)	250.00	250.00
Salary Payable to:		
Mr. Shripal Shah	1.45	0.75
Mr. Shreyas Shah	0.74	0.50
Mr. Deepesh Jain	0.80	0.50
Mrs. Meloni Shah	0.15	-

### 31. Income taxes:

a) Tax expense recognised in the Statement of profit and loss:

Particulars	As at March 31, 2018 INR Lacs	As at March 31, 2017 INR Lacs
<b>Current tax</b>		
Current year	88.85	84.99
<b>Total current tax</b>	88.85	84.99
<b>Deferred tax</b>		
Relating to origination and reversal of temporary difference	2.56	(1.21)
<b>Total deferred income tax expense/(credit)</b>	2.56	(1.21)
Short/(Excess) provision for tax- Previous years	(6.51)	(6.07)
MAT Credit avails/(Utilized)	(0.55)	(0.81)
<b>Total income tax expense/(credit)</b>	<b>84.34</b>	<b>76.90</b>

## NOTES

To Financial Statements (Contd.)

Reconciliation between the statutory income tax rate applicable to the Company and the effective income tax rate of the Company is as follows:

**b) Reconciliation of effective tax rate:**

Particulars	As at March 31, 2018 INR Lacs	As at March 31, 2018 INR Lacs
Profit /(loss) before taxation	382.97	315.49
Enacted income tax rate in India	27.55%	33.06%
Tax at the enacted income tax rate	105.52	104.31
<b>Reconciliation line items:</b>		
Other items not taxable	21.19	27.41
<b>Tax expense/ (credit)</b>	<b>84.34</b>	<b>76.90</b>

**c) The movement in deferred tax assets and liabilities during the year ended March 31, 2018 and March 31, 2017:**

Particulars	As at April 01, 2016 INR Lacs	Credit/ (charge) in Statement of profit and loss INR Lacs	As at March 31, 2017 INR Lacs
<b>Deferred tax assets/(liabilities)</b>			
On Account of Depreciation	11.47	(1.21)	10.26
MAT Credit Entitlement	-	(0.81)	(0.81)
<b>Total</b>	<b>11.47</b>	<b>(2.02)</b>	<b>9.45</b>

Particulars	As at April 01, 2017 INR Lacs	Credit/ (charge) in Statement of profit and loss INR Lacs	As at March 31, 2018 INR Lacs
<b>Deferred tax assets/(liabilities)</b>			
On Account of Depreciation	10.26	2.56	12.82
On Fair valuation of Investments in Equity Instruments	-	22.49	22.49
MAT Credit entitlement	-	(9.29)	(9.29)
<b>Total</b>	<b>10.25</b>	<b>15.76</b>	<b>26.02</b>

### 32. Financial instruments:

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

1. Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to short term maturities of these instruments.
2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
- Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The carrying amounts and fair values of financial instruments by category are as follows:

## NOTES

To Financial Statements (Contd.)

**For March 31, 2018:**

Particulars	FVOCI INR Lacs	FVTPL INR Lacs	Amortised cost INR Lacs	Total fair value INR Lacs	Carrying amount INR Lacs
<b>Financial assets</b>					
Investments	3,542.67	-	-	3,542.67	3,542.67
Trade receivables	-	-	21.14	21.14	21.14
Cash and cash equivalents	-	-	50.89	50.89	50.89
Other bank balances	-	-	1,080.50	1,080.50	1,080.50
Other financial assets	-	-	428.29	428.29	428.29
<b>Total Financial assets</b>	<b>3,542.67</b>	<b>-</b>	<b>1,580.82</b>	<b>5,123.49</b>	<b>5,123.49</b>
<b>Financial liabilities</b>					
Borrowings	-	-	1,787.70	1,787.70	1,787.70
Trade payables	-	-	339.51	339.51	339.51
Others	-	-	46.68	46.68	46.68
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>2,173.89</b>	<b>2,173.89</b>	<b>2,173.89</b>

**For March 31, 2017:**

Particulars	FVOCI INR Lacs	FVTPL INR Lacs	Amortised cost INR Lacs	Total fair value INR Lacs	Carrying amount INR Lacs
<b>Financial assets</b>					
Investments	2,355.01	-	-	2,355.01	2,355.01
Trade receivables	-	-	18.15	18.15	18.15
Cash and cash equivalents	-	-	36.03	36.03	36.03
Other bank balances	-	-	518.65	518.65	518.65
Other financial assets	-	-	433.91	433.91	433.91
<b>Total Financial assets</b>	<b>2,355.01</b>	<b>-</b>	<b>1,006.74</b>	<b>3,361.75</b>	<b>3,361.75</b>
<b>Financial liabilities</b>					
Borrowings	-	-	293.57	293.57	293.57
Trade payables	-	-	18.08	18.08	18.08
Others	-	-	38.14	38.14	38.14
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>349.79</b>	<b>349.79</b>	<b>349.79</b>

### Fair value estimation:

For financial instruments measured at fair value in the Balance Sheet, a three level fair value hierarchy is used that reflects the significance of inputs used in the measurements. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

The categories used are as follows:

- Level 1: quoted prices for identical instruments
- Level 2: directly or indirectly observable market inputs, other than Level 1 inputs; and
- Level 3: inputs which are not based on observable market data.

For assets and liabilities which are carried at fair value, the classification of fair value calculations by category is summarized below:

**For March 31, 2018:**

Particulars	Level 1 INR Lacs	Level 2 INR Lacs	Level 3 INR Lacs
Assets at fair value - Investments	3,542.67	-	-

**For March 31, 2017:**

Particulars	Level 1 INR Lacs	Level 2 INR Lacs	Level 3 INR Lacs
Assets at fair value - Investments	2,355.01	-	-



## NOTES

To Financial Statements (Contd.)

There were no significant changes in classification and no significant movements between the fair value hierarchy classifications of financial assets and financial liabilities during the period.

### 33. Financial risk factors:

The Group's principal financial liabilities comprise loans and borrowings, advances and trade and other payables. The purpose of these financial liabilities is to finance the Group's operations and to provide to support its operations. The Group's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Group's activities expose it to Liquidity Risk, Market Risk and Credit risk. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised as below.

#### a) Liquidity Risk:

The risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk management implies maintenance sufficient cash including availability of funding through an adequate amount of committed credit facilities to meet the obligations as and when due.

The Group manages its liquidity risk by ensuring as far as possible that it will have sufficient liquidity to meet its short term and long term liabilities as and when due. Anticipated future cash flows are expected to be sufficient to meet the liquidity requirements of the Group. The Group does not have any undrawn borrowing facilities with the Banks/Financial institutions.

#### i. The following is the contractual maturities of the financial liabilities:

As at March 31, 2018:

Particulars	Carrying amount	Payable on demand	1-12 months	More than 12 months
	INR Lacs	INR Lacs	INR Lacs	INR Lacs
Borrowings	1,787.70	-	1,766.33	21.37
Trade payables	339.51	-	339.51	-
Other financial liabilities	46.68	-	46.68	-
<b>TOTAL</b>	<b>2,173.89</b>	<b>-</b>	<b>2,152.52</b>	<b>21.37</b>

As at March 31, 2017:

Particulars	Carrying amount	Payable on demand	1-12 months	More than 12 months
	INR Lacs	INR Lacs	INR Lacs	INR Lacs
Borrowings	293.57	-	265.00	28.57
Trade payables	18.08	-	18.08	-
Other financial liabilities	38.13	-	38.13	-
<b>TOTAL</b>	<b>349.78</b>	<b>-</b>	<b>321.21</b>	<b>28.57</b>

#### b) Market risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include investment, deposits, foreign currency receivables and payables. The Group's treasury team manages the Market risk, which evaluates and exercises independent control over the entire process of market risk management.

#### i. Foreign currency risk:

Foreign currency risk can only arise on financial instruments that are denominated in a currency other than the functional currency in which they are measured. The Group's functional and presentation currency is INR. The Group does not have any foreign currency transactions and hence is not exposed to the Foreign Currency Risks

#### ii. Interest rate risk:

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To Financial Statements (Contd.)

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. The Group's does not have any long term borrowings. Hence, the Group is not exposed to the interest rate risk.

### iii. Price risk:

The Company's exposure to equity securities price risk arises from investments held by the Group and classified in the balance sheet either at fair value through OCI or at fair value through profit and loss. To manage its price risk arising from investments in equity securities, the Company offsets its risk through strong research policies practice followed

### Sensitivity:

The table below summarizes the impact of increases/(decreases) of the BSE index on the Company's equity and Gain/ (Loss) for the period. The analysis is based on the assumption that the index has increased by 5 % or decreased by 5 % with all other variables held constant, and that all the Company's equity instruments moved in line with the index

### Impact on Profit before tax:

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
	INR Lacs	INR Lacs
BSE Sensex - Increase 5 %	119.13	79.65
BSE Sensex - Decrease 5%	-119.13	-79.65

### iv. Underwriting Risk:

The Group undertakes underwriting of various public issues of Securities in the Capital Market. This risk includes market making for new securities. This includes compulsion to provide two way quotes to a client s on a Stock exchange. The Company carries cash flow risk in case it is required to compensate Underwriter for not able to provide the quoted. The Company manages this risk by underwriting issues only after strong research conducted by it

### c) Credit risk:

Credit risk is the risk of financial loss to the Group if a customer or counter-party fails to meet its contractual obligations. The Group is exposed to credit risks from its operating activities, primarily trade receivables, cash and cash equivalents, deposits with banks and other financial instruments. The Group is not significantly exposed to the credit risk toward trade receivables considering the nature of services provided by the Company.

### Trade receivables that have exposure to the Credit risks:

Particulars	As at March 31, 2018	As at March 31, 2017
	INR Lacs	INR Lacs
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)	400.50	404.31
- Trade Receivables	21.14	18.15

### Trade and other receivables:

The Group considers the probability of default upon initial recognition of assets and whether there has been a significant increase in credit risks on an ongoing basis throughout each reporting period.

To assess whether there is a significant change increase in credit risk the Group compares the risks of default occurring on the assets as at the reporting date with the risk of default as at the date of initial recognition. It considers the reasonable and supportive forward looking information such as:

- Actual or expected significant adverse changes in business.
- Actual or expected significant changes in the operating results of the counterparty.
- Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations
- Significant increase in credit risk on other financial instruments of same counterparty

### Ageing of the accounts receivables

Particulars	As at March 31, 2018	As at March 31, 2017
-------------	-------------------------	-------------------------

## **NOTES**

To Financial Statements (Contd.)

	INR Lacs	INR Lacs
< six months	1.62	2.05
> six months	19.52	16.10
	<b>21.14</b>	<b>18.15</b>

Movement in provisions of doubtful debts and advances - There were no Provision of doubtful debts as on March 31, 2018 and March 31, 2017.

### **34. Capital risk management:**

The Group's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital

In order to maintain or adjust the capital structure, the parent Company may issue new shares, adjust the amount of dividends paid to shareholders etc. The Group's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Group will take appropriate steps in order to maintain, or if necessary adjust, its capital structure

### **35. The financial statements were approved for issue by the Board of Directors on 30<sup>th</sup> May, 2018.**

### **36. Recent Accounting pronouncements**

#### **Ind AS 115 - Revenue from Contracts with Customers:**

In March 2018, the Ministry of Corporate Affairs has notified the Companies (Indian Accounting Standards) Amended Rules, 2018 ("amended rules"). As per the amended rules, Ind AS 115 "Revenue from contracts with customers" supersedes Ind AS 11, "Construction contracts" and Ind AS 18, "Revenue" and is applicable for all accounting periods commencing on or after 1 April 2018.

Ind AS 115 introduces a new framework of five step model for the analysis of revenue transactions. The model specifies that revenue should be recognised when (or as) an entity transfer control of goods or services to a customer at the amount to which the entity expects to be entitled. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The new revenue standard is applicable to the Company from 1 April 2018.

The Company is evaluating the requirement of the amendment and the impact on the financial statements. The effect on adoption of Ind AS 115 is expected to be insignificant".

### **37. The figures of the previous years have been regrouped or reclassified wherever necessary to make them comparable**

**The accompanying notes (Note No. 1 to 37) are integral part of the financial statements**

**In terms of our attached report of even date**

#### **For V.N. PUROHIT & CO.**

Chartered Accountants  
Firm Registration No. 304040E

Sd/-

**CA O.P. Pareek**

Partner

Membership No: 014238

Place : Mumbai

Date: May 30, 2018

#### **For and on behalf of the Board of Directors**

Sd/-

**Shripal Shah**

(Executive Director)

DIN: 01628855

Place : Mumbai

Date: May 30, 2018

Sd/-

**Shreyas Shah**

(Executive Director)

DIN: 01835575

Sd/-

**Deepesh Jain**

(Company Secretary)

## NOTES

[illegible]

**ARYAMAN FINANCIAL SERVICES LIMITED****CIN:** L74899DL1994PLC059009**Regd Office:** 102, Ganga Chambers, 6A/1, W.E.A., Karol Bagh, New Delhi - 110 005**Corporate Office:** 60, Khatau Building, Alkesh Dinesh Modi Marg, Fort, Mumbai - 400 001**Tel.:** 022 – 6216 6999; **Fax:** 022 – 22630434**Website:** [www.afsl.co.in](http://www.afsl.co.in); **Email:** [info@afsl.co.in](mailto:info@afsl.co.in)**PROXY FORM**

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

**24<sup>th</sup> Annual General Meeting – Tuesday, September 25, 2018**

Name of the Member(s)	
Registered Address:	
Email-Id:	
Folio No./Client ID:	
DP ID:	

I/we, being the member (s) of .....shares of the above named company, hereby appoint

1. Name.....Email:.....Address:.....  
..... Signature:\_\_\_\_\_

or failing him/her

2. Name.....Email:.....Address:.....  
..... Signature:\_\_\_\_\_ or

or failing him/her

3. Name.....Email:.....Address:.....  
..... Signature:\_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 24<sup>th</sup> Annual General Meeting of the Company, to be held on Tuesday, September 25, 2018 at 11.00 A.M. at Vihara Innovation Campus, D-57, Chattarpur Enclave, 100 ft. Road, New Delhi – 110 074 and at any adjournment thereof in respect such resolutions as are indicated below:

Resolut ion No.	Resolution	Vote (Optional see Note 2) (Please mention no. of shares)		
		For	Against	Abstain
1	Adoption of Audited Financial Statements of the company for the year ended March 31, 2018, the reports of the Board of Directors and auditors thereon and the audited consolidated financial statements of the company for the financial year ended March 31, 2018			
2	Appoint a director in place of Mr. Shripal Shah, who retires by rotation and being eligible, seeks reappointment			
3	Approval to deliver document through a particular mode as may be sought by the member:			
4	Re-appoint Mr. Shripal Shah as Whole Time Director for 5 year			

	from April 1, 2019 to March 31, 2024			
5	Re-appoint Mr. Shreyas Shah as Whole Time Director for 5 year from April 1, 2019 to March 31, 2024			
6	Re-appoint Mr. Darshit Parikh as Independent Director for 5 year from April 1, 2019 to March 31, 2024			
7	Re-appoint Mr. Ram Gaud as Independent Director for 5 year from April 1, 2019 to March 31, 2024			
8	Re-appoint Mrs. Tejal Vala as Independent Director for 5 year from April 1, 2019 to March 31, 2024			

Signed this..... day of.....2018

.....  
Signature of shareholder(s)

.....  
Signature of Proxy holder(s)

Please  
Affix ₹ 1  
Revenue  
Stamp

.....  
Signature of Proxy holder(s)

.....  
Signature of Proxy holder(s)

**Notes:**

1. *This form of proxy in order to be effective should be duly completed, signed and deposited at the registered office of the Company, not less than 48 hours before the commencement of the meeting.*
2. *It is optional to indicate your preference. If you leave for, against or abstain column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.*
3. *The proxy need not be a member of the company. Appointing proxy does not prevent a member from attending in person if he so wishes.*
4. *In case of Joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.*



**ARYAMAN FINANCIAL SERVICES LIMITED**

**CIN:** L74899DL1994PLC059009

**Regd Office:** 102, Ganga Chambers, 6A/1, W.E.A., Karol Bagh, New Delhi - 110 005

**Corporate Office:** 60, Khatau Building, Alkesh Dinesh Modi Marg, Fort, Mumbai - 400 001

**Tel.:** 022 – 6216 6999; **Fax:** 022 – 22630434

**Website:** [www.afsl.co.in](http://www.afsl.co.in); **Email:** [info@afsl.co.in](mailto:info@afsl.co.in)

**ATTENDANCE SLIP**

Registered Folio No./DP ID no./Client ID no.:	
DP ID - Client ID	
No. of Shares Held	

I hereby record my presence at the 24<sup>th</sup> Annual General Meeting of the Company, to be held on Tuesday, September 25, 2018 at 11.00 A.M. at Vihara Innovation Campus, D-57, Chattarpur Enclave, 100 ft. Road, New Delhi - 110074.

.....	.....
Name of the member/proxy	Signature of the member/proxy
(in BLOCK Letters)	

*Note: Please fill up this attendance slip and hand it over at the entrance of the meeting hall. Members are requested to bring their copies of the Notice for reference to the AGM.*

**BOOK POST**

If undelivered please return to:

**Aryaman Financial Services Limited**  
60, Khatau Building, Ground. Floor,  
Opposite P. J. Tower (BSE building)  
Alkesh Dinesh Modi Marg, Fort  
Mumbai – 400 001.

Tel No: 022 6216 6999;  
Fax No: 022 2263 0434